BOLDLY SERVING TECHNOLOGY TO CONNECT BUSINESS AND PEOPLE

Brightstar Telecommunications India Limited

ANNUAL REPORT **2016-2017**

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dharshan Nanayakkara (DIN: 06930415)
Mr. Deval Parikh (DIN: 03352255)
Mr. Paul Andrew Ringrose (DIN: 02799510)
Mr. Harjeet Singh Kohli (DIN: 07575784)
Ms. Geeta Mathur (DIN: 02139552)
Mr. Rajesh Madan (DIN: 02647922)

CHIEF FINANCIAL OFFICER

Mr. Rohit Gupta

COMPANY SECRETARY

Ms. Neeru Bhalla

STATUTORY AUDITORS

Deloitte Haskins & LLP
Gurugram

INTERNAL AUDITORS

Protiviti India Member Private Limited
Gurugram

REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Limited
Delhi

COST AUDITOR

K.G. Goyal & Associates
Jaipur

SECRETARIAL AUDITOR

Saurabh Jain & Associates
Delhi

BANKERS

HDFC Bank Limited
Australia & New Zealand Banking Group Limited
Kotak Mahindra Bank Limited

REGISTERED OFFICE

First Floor, Plot No.16,
Udyog Vihar, Phase-IV,
Gurugram-122015 (Haryana)

WEBSITE

www.brightstarcorp.in

QUERIES/ASSISTANCE

Secretarial Department
Brightstar Telecommunications India Limited
(Erstwhile Beetel Teletech Limited)
First Floor, Plot No.16,
Udyog Vihar, Phase-IV,
Gurugram-122015 (Haryana)

THE BOARD OF DIRECTORS & KEY MANEGERIAL PERSONNEL - AN INTRODUCTION

Dharshan Nanayakkara

Dharshan Nanayakkara is the Non-Executive Director of Brightstar Telecommunications India Limited with effect from October, 2014. Presently he works as Regional President, Asia-Pacific, Brightstar Corp., Australia responsible for setting the strategic direction and management of the region, with subsidiaries in Malaysia, Philippines, Thailand, Singapore, Australia, New Zealand and Hong Kong. He is having over 11 years' experience in the Telecommunications Industry representing OEMs, retailing. In past, he was associated with Ericsson, Crazy Johns etc. He has done Bachelor's in Business and Marketing from Royal Melbourne Institute of Technology and Bachelor of Business Administration from International Institute for Management Development.

Deval Parikh

Deval Parikh is the Executive Director and CEO of the Brightstar Telecommunications India Limited with effect from July 2016. He is a business leader in the technology space for over a decade in a number of executive roles in the US as well as in India. His experience spans domains of management consulting, venture capital, telecom, and semiconductor industries. Before joining Brightstar, he was with Reliance Jio where he was working as Senior Vice President. He was one of the founding members of Virgin Mobile in India where he was Chief Product Officer and helped set up the India operations. He served as a management consultant for PRTM consulting (now PwC) He holds an MBA from the Kellogg School of Management and Masters in Engineering Management from Northwestern University. He also holds a Bachelors in Chemical Engineering and Economics.

Paul Andrew Ringrose

Paul Andrew Ringrose is the Non-Executive Director in Brightstar Telecommunications India Limited with effect from July 2016. Paul is currently the Chief Financial Officer for Asia Pacific at Brightstar. He is a widely experienced executive with international operating responsibility extending from Chief Financial Officer to Managing Director roles in the Wireless Consumer Products and Wireless Service Provision industries. Prior to Brightstar, he was associated with Ingram Micro Mobility Australia, Brightpoint, Digicel etc. He is Chartered Accountant by profession from UK and Australia.

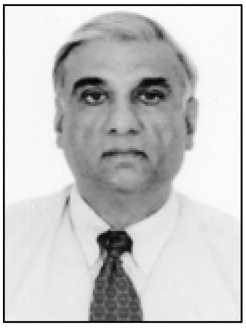
Harjeet Singh Kohli

Harjeet Singh Kohli is the Non-Executive Director in Brightstar Telecommunications India Limited with effect from August 2016. Harjeet is currently Group Head - Funding, Risk, Markets and Investors for Bharti Airtel and the Bharti group. Harjeet leads all financing, capital structure & equity raising, currency and interest risk management, investments management, liquidity and working capital management with full ownership of all C2B flows of telecom. He also owns stakeholders' management – across ratings, debt & equity investors for Bharti group including airtel (present in 20 countries). He has 20 years of work experience as a business professional and also a product specialist across financing, flows and markets space, both as a corporate and investment banker to large corporates as also as an issuer / corporate. He is Mechanical Engineer from DCE and Master in Business Administration holder from FMS, Delhi.

Geeta Mathur

Geeta Mathur is an Independent Director in Brightstar Telecommunications India Limited with effect from March, 2015. She is an experienced finance professional having worked as a banker and also in large corporate treasury and investor relations. She has expertise in project and structured finance, risk management and handling of large treasuries for the bodies corporate. She possess strong understanding of processes and systems with ability to identify key success /risk factors across several industries and understand how the leaders in those industries have managed the risks to stay ahead. She holds board level positions in various companies in India. She is a Commerce Graduate from Sri Ram College of Commerce, and a Chartered Accountant by profession.

Rajesh Madan



Rajesh Madan is an Independent Director in Brightstar Telecommunications India Limited with effect from March, 2015. He has experience of handling large transactions relating to mergers, acquisitions and divestitures, restructuring of companies and businesses and cross-border transactions. He also have extensive experience in corporate governance and compliance with special emphasis on corporate responsibility to shareholders, government, employees and customers. He has held the position of an in-house Counsel with a number of multinational corporations in India, including Novartis, Glaxo Smithkline etc. Since 2004, he has been practicing as an independent Counsel. He is also a qualified Company Secretary and a Law Graduate by qualification.

Rohit Gupta

Rohit Gupta is the CFO at Brightstar Telecommunications India Limited with effect from March, 2017.

He is a Chartered Accountant with over 25 years of experience in global operations, formulating strategies, financial planning and reporting, funding, M&A integration, treasury & risk management, review and evaluation of business processes, implementing internal controls and financial management in multinational set-ups.

Earlier, he worked in the capacity of CFO with NIIT group (since 2011) for 6 years and was responsible for financial services organization of NIIT Limited (a listed company) and all its Indian and overseas subsidiaries and businesses. He has strong track record of driving business excellence specifically in IT and Telecom sectors and has been with Virgin Mobile as its CFO from 2008 to 2011.

Prior to Virgin Mobile, he worked as a Sr. VP at Bharti Airtel Group and was responsible for planning at apex level for mobile, broadband & telephony, enterprise services and new ventures. Prior to Bharti Airtel Group, he was associated with Hero Corporate, Hutchinson & Max Group , British telecom, Bharti Airtel Limited and Tata Teleservices. He is a commerce graduate from Delhi University & a professional Chartered Accountant from ICAI - The Institute of Chartered Accountants of India.

Neeru Bhalla

Neeru Bhalla is the Company Secretary of Brightstar Telecommunications India Limited with effect from September 2015. She is a result oriented professional with nearly 16 years experience in legal and secretarial compliances, contract management, litigation management, dispute management, due diligence. Prior to Brightstar, she was associated with Adidas India. She is a law graduate and a company Secretary by qualification.

CHAIRMAN'S MESSAGE

Dear Shareholders,

In FY 2016-17, your Company recorded overall revenue of INR 38,201 Mn. The IT business maintained its momentum and recorded a revenue growth of 2% YoY. The contribution of mobile business to company revenue was at 67%. In the IT business, enterprise vertical grew by 43% YoY and Networks vertical maintained flat growth despite of tough competition in telecom space.

The year gone by, was full of challenges for mobile business due to frequent drops in market operating prices driven by discounting by online players.Your Company had diversified into services sector build on the core capabilities of distribution. We implemented an Affordability and Early Upgrade program underpinned by the Future Price Commitment (FPC) and financing services making the high priced mobile devices affordable to the customer and simultaneously giving them the opportunity to upgrade to a new mobile device after a specific period making it lucrative to the customer. Keeping the focus on services, your Company had kicked-off Buy Back & Trade In (BBTI) project in the last quarter of FY wherein we purchase used devices from end customers and sell such products locally and internationally via various channels that we have established.

Your Company is venturing into new business opportunities that are more focused towards Cloud services, Managed Wi-Fi services, Device Protection and Accessories. Your company has secured a contract to distribute Moto and Lenovo smartphones through organised trade channel. Your company has also secured a contract with Harman-Kardon for distribution of their premium and mid-priced accessories of mobile and audio-visual products via various mobile and non-mobile channels across India. In the IT business, your Company is partnering with Avaya and Polycom to offer cloud services to mid-sized enterprises across India.

I would like to extend my special thanks to all the shareholders and bankers who continue to have faith and confidence in us and have shown extraordinary support towards us. I also want to thank our wide range of supplier partners, logistics and operations intermediaries and channel partners across all of our business lines across India for their continued support.

My special thanks and appreciation go to the employees of the Company at all levels for their hard work, dedication and continued commitment to grow our extremely diverse business in India.

Warm regards,

Dharshan Nanayakkara

Chairman

DIN: 06930415

NOTICE

Notice is hereby given that the Eighteen (18th) Annual General Meeting of the members of Brightstar Telecommunications India Limited (the "**Company**") will be held on 27th September, 2017 (Wednesday) at 10.00 a.m. at K-3, DLF Phase-II, Community Centre, Gurugram- 122002 to transact the following businesses:

ORDINARY BUSINESS:

1. To review, consider and adopt the Balance Sheet, Cash Flow Statement as on 31st March, 2017, and Profit & Loss Account for the Company for the year ended on 31st March, 2017 together with the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Paul Andrew Ringrose (DIN: 02799510), who retires by rotation and being eligible, offers himself for appointment.
3. To ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018) as the statutory auditors of the Company for the financial year ending on 31st March, 2018 to hold office until the conclusion of the Nineteenth (19th) Annual General Meeting (AGM) of the Company, at such remuneration as may be fixed by the Board of Directors and for that purpose, pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the consent of the members be and is hereby accorded to ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018) as Statutory Auditors of the Company for the financial year 2017-18, on such remuneration as may be decided by the Board of Directors."

SPECIAL BUSINESS:

4. **APPROVAL OF REMUNERATION OF MR. DEVAL PARIKH, WHOLE TIME DIRECTOR FOR YEAR 2017**

   To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

   "**RESOLVED FURTHER THAT** pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or any other government authority/agency/board, if any, approval of the Company be and is hereby accorded to pay a remuneration of Rs. 31,062,084/- per annum, comprising of fixed remuneration of Rs. 20,162,596/- per annum, variable remuneration of Rs. 10,081,304/- per annum (based on Deval Parikh's annual appraisal) and other emoluments of Rs. 818,184, to Deval Parikh as Whole Time Director for the calendar year 2017.

   RESOLVED FURTHER THAT any Director or Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things which are necessary to carry out the aforesaid resolution and to seek such approval/ consent from the government departments, if required in this regard and make necessary filings with the Registrar of Companies and any other necessary documents with the appropriate regulatory authorities and to do all such acts, deeds and things, as may be required from time to time to effectuate the above resolution."

5. **RATIFICATION OF REMUNERATION PAYABLE TO M/S. K. G. GOYAL & ASSOCIATES, COST ACCOUNTANTS AS COST AUDITORS OF THE COMPANY**

   To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. K. G. Goyal & Associates, Cost Accountants appointed as the Cost Auditors of the Company, for the conduct of the audit of the cost records of the Company for the financial year 2017-18, be paid a remuneration of Rs. 33,000/- (Rupees Thirty Three Thousand only) per annum, exclusive of taxes and out of pocket expenses incurred, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

For and on behalf of the Board of Directors

Brightstar Telecommunications India Limited

Sd/-
Neeru Bhalla
(Company Secretary)
ACS 14181

Date : August 30, 2017
Place : Gurugram

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. A PROXY DULY SIGNED AND STAMPED SHOULD BE DELIVERED TO THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING, TO BE EFFECTIVE;**
2. Members/Proxies should bring their attendance slips attached herewith, duly filled-in and signed for attending the Meeting;
3. Corporate members are requested to send to the registered office of the Company a duly certified copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote at the general meeting;
4. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to special businesses to be transacted at this meeting is annexed hereto; and

ROUTE MAP FOR AGM VENUE

VENUE :

K-3, DLF Phase-II, Community Centre, Gurugram- 122002

5. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company;
6. The Statutory Registers maintained under Section 170 of the Companies Act, 2013 will be available at the venue for inspection by members;
7. Members are requested to intimate immediately any change in their address, including e mail addresses to the Company;
8. Route map of the venue of meeting is attached herewith.

PROCEDURE FOR REMOTE E-VOTING

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 18th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 23rd September, 2017 (9:00 am) and ends on 26th September, 2017 (5:00 pm). During this period, members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-voting then you can use your existing user ID and Password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Brightstar Telecommunications India Limited" which is 107452.

(viii) Now you are ready for remote e-voting as cast vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to jacs.sharma@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a member receives physical copy of the Notice of AGM) [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/ at the bottom of the attendance slip for the AGM :

EVEN (Remote e-voting Event Number

USER ID

PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2017.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Ms. Jayanti Sharma on behalf of M/s. Grover Ahuja & Associates, Practicing Company Secretaries, has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM), a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.

XVI. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.brightstarcorp.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4: APPROVAL OF REMUNERATION OF MR. DEVAL PARIKH, WHOLE TIME DIRECTOR FOR YEAR 2017

Mr. Deval Parikh was appointed as Additional Director (Executive) in the Company with effect from 06th July, 2016. Later, the shareholders of the Company vide its 17th Annual General Meeting dated 20th September 2016 approved the appointment of Mr. Deval Parikh (DIN: 03352255) as the Whole Time Director for a period of 5 years commencing from 20th September 2016. Further, the Shareholders also approved the remuneration of Mr. Deval Parikh amounting to Rs. 26,306,849/-, comprising of fixed salary of Rs. 9,558,356/-, variable salary of Rs. 9,558,356/- (which was based on Mr. Deval Parikh's appraisal on 31st December, 2016) and other emoluments from 06th July 2016 till 31st December 2016.

On the recommendation of Nomination & Remuneration Committee, the Board of Directors recommends to the Shareholders to approve the remuneration of Rs. 31,062,084/- per annum, comprising of fixed remuneration of Rs. 20,162,596/- per annum, variable remuneration of Rs. 10,081,304/- per annum (which will be based on Deval Parikh's annual appraisal) and other emoluments of Rs. 818,184, to Deval Parikh as Whole Time Director for the calendar year 2017.

Annexure forming part of the Explanatory Statement as required to be given pursuant to Part II of Schedule V of the Companies Act, 2013:

I. General Information:-

a. Nature of Industry: - Brightstar is a value added distribution house that partners with leading brands and also creates and market products in the IT, Telecom and Enterprise Solution domain.

b. Date or expected date of commencement of commercial production: Existing Company

c. In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable

d. Financial Performance based on given indicators:

(Figures in INR Mn.)

Particulars	Financial Year ended 31-Mar-17	Financial Year ended 31-Mar-16
Gross Sales	37,017.81	38,787.13
Other Income	17.59	24.30
Loss before tax	(545.91)	(114.88)
Loss for the year (after tax)	(520.31)	(57.59)
Total comprehensive loss for the year	(525.34)	(58.71)

e. Export performance and Net Foreign Exchange Outgo: Foreign Exchange inflow of Rs. 45.55 (Million) and Foreign Exchange outgo- Rs 9,041.65 (Million)

f. Foreign Investments or Collaborations: Investment in Wholly Owned Subsidiary in Singapore

II. Information about the appointee:-

a. Background details: Deval Parikh has been a business leader in the technology space for over a decade in a number of executive roles in the US as well as in India. His experience spans domains of management consulting, venture capital, telecom, and semiconductor industries. Before joining Brightstar, he was with Reliance Jio where he was the Senior Vice President looking at a few nationwide initiatives including the head of the youth segment as well as the design and development of the products and services. He has also seen the deployment of state-of-the art LTE and Wi-Fi networks across India and served as an executive CEO of Gujarat circle. He was one of the founding members of Virgin Mobile in India where he was the Chief Product Officer and helped set up the India operations. He served as a management consultant for PRTM consulting (now PwC) focusing on telecom and technology areas. He spent his formative years as an engineer at VLSI technology looking after semiconductor process technologies for the manufacture of ASIC's. He holds an MBA from the Kellogg School of Management and Masters in Engineering Management from Northwestern University. He also holds a Bachelors in Chemical Engineering and Economics. Some of his work has been published in global periodicals including the Harvard Business Review.

b. Past Remuneration: Shareholders approved the remuneration of Rs. 26,306,849/- of Mr, Deval Parikh from 06th July, 2016 till 31st December, 2016. He was paid remuneration of Rs. 16,147,946 for the same period.

c. Recognition or Awards: None.

d. Job Profile and his suitability: Mr. Deval Parikh career includes appointments as Senior Vice President in Reliance Jio, Chief Product Officer in Virgin Mobile. He holds an MBA from the Kellogg School of Management and Masters in Engineering Management from Northwestern University. He also holds a Bachelors in Chemical Engineering and Economics.

e. Remuneration proposed: As provided in the resolution.

f. Comparative remuneration Profile with respect to the Industry, size of the Company, profile of the position and the person: Though direct comparable data could not be obtained, however, as a normal industry trend, the managerial personnel of companies of comparable size and scale are receiving remuneration above Rs. 25 Mn per annum. The remuneration proposed to be paid to Mr. Deval Parikh is commensurate with the experience, qualification and responsibilities entrusted to him by the Board and as prevailing in the Industry.

III. Other Information:-

1) Reason for Loss / Inadequate profits: -

(a) The Company is in the business of distributing IT and mobility products. For mobility products, drop in the market operating prices of I-phone started in quarter 4 of the financial year 2015-16 continues in 2016-17 which resulted in a drop of margins and profitability. The Company has managed to turn around itself by developing good inventory management control and company has started making profits in Q4 of 2016-17.

2) Steps taken for improvement:

(a) Diversification to other mobile products and accessories has been brought in Mobility vertical. As compare to 96% share of Apple in total mobile revenue in previous year we are targeting it to reduce to less than 75% through this business strategy.

(b) Your Company has signed an agreement with Harman International Industries for distribution of its entire portfolio which would result into higher revenue and gross margin.

(c) Your Company has also forayed into distribution of Motorola & Lenovo handsets through large format retail shops resulting into higher revenue and margins. The Company has already tied up with all major large format retail like Croma, Sangeeta, Reliance digital.

(d) Your Company is forayed into new lines of business including service revenue like Future Price Commitments which would further improve the margins.

(e) Your Company has started Buy back trade in (BBTI) Business which has potential of higher margins. We have tied up with Amazon and Flipkart for this business.

(f) Your Company has signed up agreement with Kingston for distribution of its entire portfolio of memory products.

(g) Your company is focusing on enhancement of existing portfolio of IT Business as under:

i) Company is entering into Cloud Business to have recurring revenue with higher margins.

ii) Your Company is doing diversification for distribution of networking products to non-telecom partners as well to reduce dependence on large telecom companies.

iii) Your Company is presently has more than 50% market share of Polycom, Avaya and Huawei products and strategy is to increase up to 60% market share in near future.

3) Expected increase in productivity and profits in measurable terms: -

Your company has established itself as one of the major distributor of mobile handsets in the country and achieved revenue of INR 25,789 million in the financial year 2016-17. In the current financial year, your company expects significant revenue share by capturing the majority market share in fastest growing market of smart phones in India as well largest business partners of trusted brands like Polycom, Avaya, Radwin, RAD and Huawei. Your Company has also entered into services business and capturing entire chain of mobility and services.

IV. Disclosures:-

a) Remuneration: Subject to the approval of the Central Government, as provided in the resolution, if required.

b) Period of Appointment: Term of 5 (five) consecutive years commencing from 20th September, 2016 as Whole Time Director

c) Termination: The appointment may be terminated by either Party by giving six (6) months' notice in writing of such termination or salary in lieu of the notice period.

d) Duties and Responsibilities: Mr. Deval Parikh, Whole Time Director & Chief Executive Officer shall perform such duties and responsibilities as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Deval Parikh are in any way, concerned or interested, financially or otherwise, in this resolution

ITEM NO. 8: RATIFICATION OF REMUNERATION PAYABLE TO M/S. K. G. GOYAL & ASSOCIATES, COST ACCOUNTANTS AS COST AUDITORS OF THE COMPANY

On the recommendation of the Audit Committee, the Board has approved the appointment of M/s K. G. Goyal & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2017-18 at a remuneration of Rs. 33,000/- (Rupees Thirty Three Thousand) per annum, exclusive of taxes and all out of pocket expenses incurred, if any, in connection with the cost audit. The appointment and the remuneration of the Cost Auditor is to be ratified subsequently in accordance to the provisions and rules of the act.

Accordingly, Directors recommend the Ordinary Resolution to be passed by the shareholders for their acceptance.

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

For and on behalf of the Board of Directors
Brightstar Telecommunications India Limited

Sd/-
Neeru Bhalla
(Company Secretary)
ACS 14181

Date : August 30, 2017
Place: Gurugram

DIRECTOR'S REPORT

To

The Members,
Brightstar Telecommunications India Limited

Your Directors have pleasure in presenting the 18th Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended on 31st March 2017.

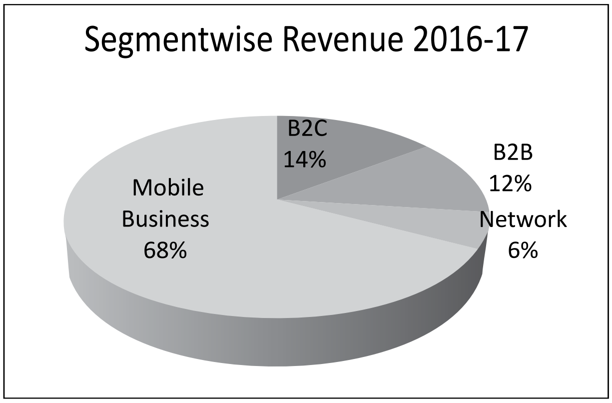
FINANCIAL HIGHLIGHTS

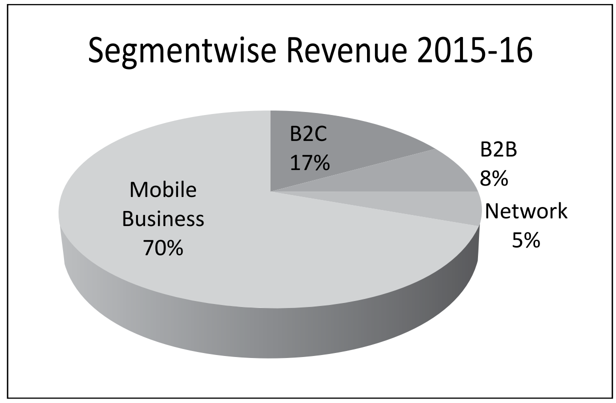
Particulars	Standalone		Consolidated	
	Year Ended 31st March 2017 (Rs. in Mn.)	**Year Ended 31st March 2016 (Rs. in Mn.)**	**Year Ended 31st March 2017 (Rs. in Mn.)**	**Year Ended 31st March 2016 (Rs. in Mn.)**
Net Sales / Other Operating Revenue	37,017.81	38,787.13	38,201.46	40,078.18
Total Expenditure before Depreciation and Finance Costs (Net of expenditure transferred to capital accounts)	37,313.55	38,704.49	38,412.82	39,923.78
Add: Dividend received and other Income	17.59	24.30	10.41	18.93
Less: Finance Costs	238.54	190.58	238.54	190.58
Loss before Depreciation, Exceptional Items and Tax	(516.69)	(83.64)	(439.49)	(17.25)
Less: Depreciation and Amortization Expense	29.22	31.24	29.22	31.24
Loss before Exceptional Items and Tax	(545.91)	(114.88)	(468.71)	(48.49)
Add: Profit on Sale of Immovable Property	-	-	-	-
Add: Profit on Sale of Non-current Investments	-	-	-	-
Less: Diminiution in Value of investment	-	-	-	-
Loss before Tax	(545.91)	(114.88)	(468.71)	(48.49)
Less: Current Tax and deferred tax	(25.60)	(57.29)	(16.49)	(47.37)
Loss for the year	(520.31)	(57.59)	(452.22)	(1.12)
Other comprehensive income	-	-	(10.30)	4.13
Remeasurements of the defined benefit plans(net of tax)	(5.03)	(1.12)	(5.03)	(1.12)
Exchange difference on translation	-	-	(5.27)	5.25
Total comprehensive loss for the year	(525.34)	(58.71)	(462.52)	3.01
Surplus brought forward	538.95	597.66	378.56	380.8
Amount available for appropriation Which the Directors recommend should be appropriated as follows:	13.61	538.95	(78.69)	378.56
(a) Interim Equity Dividend	-	-	-	-
(b) Proposed Equity Dividend	-	-	-	-
(c) Corporate Dividend Tax	-	-	-	-
(d) Transfer to General Reserve	-	-	-	-
(e) Surplus/(deficit) carried forward	13.61	538.95	(78.69)	378.56

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the financial year 2016-17, total turnover of your Company was INR 38,201.46 Mn, against INR 40,078.18 Mn in financial year 2015-16 on a consolidated basis.

The contribution of different business segments in total income in financial year 2016-17 and 2015-16 are shown below:





With respect to your Company's wholly owned subsidiary (Brightstar Telecommunications Singapore Private Limited), it is pertinent to note that during the financial year 2016-17, total turnover was INR 1,183.64 Mn, against INR 1,291.05 Mn in the financial year 2015-16.

Board of Directors of your Company are confident of good performances by Company in coming years.

CHANGE IN THE NAME OF THE COMPANY

During the financial year under review, the name of the Company has been changed from Beetel Teletech Limited to Brightstar Telecommunications India Limited with effect from 14th February, 2017

CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the existing businesses of the Company.

DIVIDEND

Your Board of Directors have not recommended any dividend with the view to conserve the resources of Company.

CHANGES IN SHARE CAPITAL, IF ANY

During the financial year under review, there is no change in share capital of the Company.

TRANSFER TO RESERVES

During the financial year under review, the Company did not proposed any amount to be carried to any reserves.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Below is the detail of Company which is wholly owned subsidiary of Brightstar Telecommunications India Limited.

S. No	Name of the Entity	Type (Subsidiary/ Joint Ventures/ Associate company)	Date of become Subsidiary/Joint Ventures/ Associate company	Date of Ceased to be Subsidiary/ Joint Ventures/ Associate company
1	Brightstar Telecommunications Singapore Private Limited (Erstwhile Beetel Teletech Singapore Private Limited)	Subsidiary	21/12/2011	-

AOC-1 containing statement containing salient features of the financial statement of the subsidiary company is annexed herewith for your kind perusal and information **(Annexure-1)**.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND

The Company has deposited the unclaimed dividend of Rs. 71,937 for 2008-09 which are pending for more than 7 years to the Investor Education and Protection Fund managed by Ministry of Corporate Affairs, New Delhi as per applicable provisions of the Companies Act 2013 on 15th December, 2016. Acknowledgement to this regard has been received by the Company.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

THE EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information **(Annexure 2).**

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year under review, the Company held five (5) meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. Provisions of the Companies Act, 2013 were adhered to while considering the time gap between two meetings.

S. No	Date of Meeting	Key Matters Discussed	Name of the Director who attended the meeting	Name of the directors to whom the leave was granted
1	04th April, 2016	To take note of annual disclosures /declaration of the directors on the board, to approve the appointment and remuneration of Deval Parikh as CEO of the Company with effect from 20thJune, 2016.	Dharshan Nanayakkara, Noel Gerald Marsden, Rahul Bhatnagar, Geeta Mathur, Rajesh Madan	Alok Shankar
2	07th July, 2016	To take note of disclosure of interest of Rajesh Madan, to take note of resignation of Alok Shankar as CEO with effect from 05th July 2016, to take note of the change of the date of joining of Deval Parikh as CEO with effect from 06th July, 2016, to approve the appointment of Deval Parikh as Additional Director w.e.f. 06th July 2016, to revoke the general power of attorney issued in favor of Alok Shankar, to consider of issuing a general power of attorney in favor of Deval Parikh etc.	Alok Shankar, Geeta Mathur, Rajesh Madan, Dharshan Nanayakkara, Rahul Bhatnagar	Noel Gerald Marsden
3	28thJuly, 2016	To take note of resolutions passed by board through circulation, to discuss and take note of secretarial audit report for the financial year ended on 31st March, 2016, to discuss and take note of cost audit report for the financial year ended on 31st March, 2016, to consider the proposal for the ratification of appointment of statutory auditors, to take note of annual disclosures/declaration received from Paul Andrew Ringrose, to approve the draft notice of 17th AGM etc.	Deval Parikh, Paul Andrew Ringrose, Rajesh Madan, Rahul Bhatnagar, Geeta Mathur	Dharshan Nanayakkara

S. No	Date of Meeting	Key Matters Discussed	Name of the Director who attended the meeting	Name of the directors to whom the leave was granted
4	24th November, 2016	To take note of resolution passed by circulation by Board of Directors, to take note of disclosure/ declaration received from Harjeet Singh Kohli, to take note of disclosures of interest of Rajesh Madan, to approve the proposal for filing the application with regulatory authorities for availability of new name of the Company etc.	Deval Parikh, Dharshan Nanayakkara, Rajesh Madan, Harjeet Singh Kohli, Geeta Mathur, Paul Andrew Ringrose,	-
5	15th March, 2017	To take note of resolution passed by circulations by Board of Directors, to take note of resignation of Puneet Khanna as CFO with effect from 01st March, 2017, to re-designate Rohit Gupta as CFO under section 203 of the Companies Act, 2013 with effect from 15th March, 2017, to consider the proposal for the appointment of secretarial auditors for FY 2016-17 etc.	Deval Parikh, Dharshan Nanayakkara, Rajesh Madan, Harjeet Singh Kohli, Geeta Mathur	Paul Andrew Ringrose

During the financial year under review, four meetings of Audit Committee were held, details of which are as follows:

S. no.	Date of Meeting	Name of Directors who were present	Name of Directors who were absent
1	07th July, 2016	Alok Shankar, Geeta Mathur, Rajesh Madan, Rahul Bhatnagar	-
2	28th July, 2016	Deval Parikh, Geeta Mathur, Rajesh Madan, Rahul Bhatnagar	-
3	24th November, 2016	Deval Parikh, Rajesh Madan, Geeta Mathur, Harjeet Singh Kohli	-
4	15th March, 2017	Deval Parikh, Rajesh Madan, Geeta Mathur, Harjeet Singh Kohli	-

During the financial year under review, three meetings of Nomination & Remuneration Committee were held, details of which are as follows:

S. no.	Date of Meeting	Name of Directors who were present	Name of Directors who were absent
1	04th April, 2016	Geeta Mathur, Rajesh Madan, Dharshan Nanayakkara, Rahul Bhatnagar	-
2	07th July, 2016	Geeta Mathur, Rajesh Madan, Dharshan Nanayakkara, Rahul Bhatnagar	-
3	15th March, 2017	Dharshan Nanayakkara, Geeta Mathur, Rajesh Madan, Harjeet Singh Kohli	-

During the financial year under review, one meeting of Corporate Social Responsibility Committee were held, details of which are as follows:

S. no.	Date of Meeting	Name of Directors who were present	Name of Directors who were absent
1	15th March, 2017	Deval Parikh, Rajesh Madan, Geeta Mathur, Harjeet Singh Kohli	-

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company confirms that-

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis;

(e) Company being unlisted sub clause (e) of section 134 (5) is not applicable; and

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, conducted the statutory audit for the financial year 2016-2017. There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The notes on financial statements are self-explanatory, and needs no further explanation.

M/s Deloitte Haskins & Sells LLP, Chartered Accountants was appointed as the Statutory Auditors of the Company for a period of five years from the conclusion of 16th Annual General Meeting until the conclusion of 21st Annual General Meeting, subject to the ratification of the appointment by the members of the Company at every Annual General Meeting as per the provisions of the Companies Act, 2013 at such remuneration as may be fixed by the Audit Committee and/or Board of Directors of the Company.

It is proposed to ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018) as the statutory auditors of the Company to hold office until the conclusion of 19th Annual General Meeting, for the financial year ending on 31st March, 2018 at such remuneration as may be fixed by the Board of Directors. Their appointment and payment of remuneration are to be approved and ratified in the 18th Annual General Meeting by the Shareholders of the Company.

LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans or provided any guarantee or made any investments under section 186 of the Companies Act, 2013 during the financial year ended on 31st March, 2017.

RELATED PARTY TRANSACTIONS

The Company has entered into various related party transactions as defined under section 188 of the Companies Act, 2013 and accounting standards issued by ICAI with reference to related parties. All these transactions have been carried out by the Company in ordinary course of its business and on arm's length basis. Further all the necessary details of transaction entered with the related parties are attached herewith in Form No. AOC-2 for your kind perusal and information **(Annexure 3).**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of Energy

Your Company takes appropriate measures to reduce energy consumption by using energy efficient equipment, computers and processes. As an ongoing process your Company continuously evaluates new technologies and techniques to make infrastructure more energy efficient.

Continuous study is being made on measures to conserve energy. The results wherever found suitable are implemented from time to time. The implementation of the measures adopted for energy conservation has resulted in savings in energy / fuel consumption/ cost.

(B) Technology Absorption

During the year research and development was carried out for introducing new telecom products based on advancement in technology. Strong emphasis is given towards developing customized designs of phones based on the requirement of end users, telecom companies. Efforts are also on to improve the productivity levels in the manufacturing facility.

New sources were evaluated and developed for cost reduction and to improve feature of phones. The efforts enable the Company to introduce new products to meet changing market needs. During the year, the Company has increased the focus on product development as per customers' requirements.

The expertise developed by the R&D team would be deployed in manufacturing advanced products indigenously. Details of expenditure on R&D are provided below-

(INR Mn)

S.No.	Details	31-Mar-17	31-Mar-16
1	Capital	-	-
2	Recurring	0.12	0.16
3	Total	0.12	0.16
4	Total R & D expenditure as a percentage of total turnover	0.0003 %	0.0004%

The Company continues to use the latest technology for innovation and improving the productivity and quality of its products and development of new designs/models of telecom instruments. This has introduced technologically advanced userfriendly products and has geared itself to achieve better quality and price standards in future.

(C) Foreign Exchange Earning and Outgo

(INR Mn)

Details	31-Mar-17	31-Mar-16
The Foreign Exchange earned in terms of actual inflows during the year	45.55	63.87
The Foreign Exchange outgo during the year in terms of actual outflows	9,041.65	16,537.41

RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the Company to control risk through a properly defined plan. The risks are taken into account while preparing the annual business plan for the year. The elements of risk threatening the Company's existence is very minimal.

DIRECTORS AND KMP

During the financial year, the following changes have occurred in the constitution of directors and KMP of the Company:

S.No	Name	Designation	Date of appointment	Date of cessation	Mode of Cessation
1	Alok Shankar	Whole Time Director & CEO	01/10/2014	Whole Time Director-07/07/2016, CEO-05/07/2016	resigned
2	Deval Parikh	Whole Time Director & CEO	Additional Director (Executive) - 06/07/2016, Change in designation to Whole Time Director - 20th September, 2016	-	-
3	Noel Gerald Marsden	Director	04/05/2015	15/07/2016	resigned
4	Paul Andrew Ringrose	Director	12/07/2016	-	-
5	Rahul Bhatnagar	Director	11/09/2015	04/08/2016	resigned
6	Harjeet Singh Kohli	Director	01/08/2016	-	-
7	Puneet Khanna	Chief Financial Officer	01/10/2014	28/02/2017	Resigned
8	Rohit Gupta	Chief Financial Officer	15/03/2017	-	-

DEPOSITS

The Company has not accepted any deposits during the year.

CORPORATE SOCIAL RESPONSIBILITY

As per Section 135(5) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act, 2013, the Company has duly constituted Corporate Social Responsibility Committee.

The Corporate Social Responsibility Committee consists of the following –

S.No	Name	Designation
1.	Deval Parikh	Whole-time Director
2.	Rajesh Madan	Independent Director
3.	Geeta Mathur	Independent Director
4	Harjeet Singh Kohli	Director

A detailed working on the profitability of the company for corporate social responsibility expenditure and corporate social responsibility activities undertaken by the Company for the financial year ended on 31st March, 2017 is annexed herewith for your kind perusal and information **(Annexure 4).**

ANNUAL EVALUATION

The provision of section 134 (3) (p) relating to board evaluation is not applicable on the Company.

INDEPENDENT DIRECTORS AND DECLARATION

Rajesh Madan and Geeta Mathur are Independent Directors of the Company as per Section 149(10) of the Companies Act, 2013.

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

NOMINATION AND REMUNERATION COMMITTEE

As per the section 178(1) of the Companies Act, 2013, the Company has constituted a Nomination and Remuneration Committee. The table sets out the composition of the Committee:

S. No.	Name of the Director	Category of the Director
1	Mr. Dharshan Nanayakkara	Non-Executive Non Independent Director
2	Mr. Rajesh Madan	Non-Executive Independent Director
3	Ms. Geeta Mathur	Non-Executive Independent Director
4	Mr. Harjeet Singh Kohli	Non-Executive Non Independent Director

The terms of reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board on appointment and removal of directors and shall carry out evaluation of every director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. The Nomination and Remuneration Committee policy ensure that:
    a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
    b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:
4. Review the Human Resource function of the Company, if required.
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Make reports to the Board as appropriate.
7. Review and reassess the adequacy of committee's charter periodically and recommend any proposed changes to the Board for approval from time to time.
8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

STAKEHOLDERS RELATIONSHIP COMMITTEE

As per the section 178 of the Companies Act, 2013 the Company has constituted a Stakeholders Relationship Committee. The table sets out the composition of the Committee:

S. No	Name	Designation
1.	Deval Parikh	Whole-time Director
2.	Dharshan Nanayakkara	Non-Executive Director
3.	Harjeet Singh Kohli	Non-Executive Director

As per its charter, the Stakeholders Relationship Committee approved the shareholder's request for the transfer and transmission request in a timely manner.

REMUNERATION POLICY

Remuneration to Executive Directors:

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board in the Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

Remuneration to Independent Directors:

Independent Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them as per the terms of their appointment letters.

Information as per Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is enclosed as **Annexure 5**.

AUDIT COMMITTEE

According to Section 177 of the Companies Act, 2013, Company's Audit Committee comprised of four directors. The board has accepted all recommendations of the Audit Committee. The table sets out the composition of the Committee:

S. No	Name of the Director	Position held in the Committee	Category of the Director
1.	Geeta Mathur	Chairman	Non-Executive Independent Director
2.	Deval Parikh	Member	Executive Non Independent Director
3.	Rajesh Madan	Member	Non-Executive Independent Director
4.	Harjeet Singh Kohli	Special Invitee	Non-Executive Non Independent Director

SECRETARIAL AUDIT REPORT:-

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any clarification/ explanation.

Further the Secretarial Audit Report as provided by Mr. Saurabh Jain, practicing company secretary, C/o. M/s. Saurabh Jain & Associates for the financial year ended, 31st March, 2017 is annexed herewith for your kind perusal and information **(Annexure 6).**

COST AUDIT

M/s. K. G. Goyal & Associates has conducted the Cost Audit of the Company for the financial year 2016-17. There are no qualifications or adverse remarks in the cost audit report which require any clarification/ explanations.

M/s. K. G. Goyal & Associates, Cost Accountants has been appointed as Cost Auditors of the Company for conducting Cost Audit of the Company for financial year 2017-2018 subject to approval of its remuneration by the Shareholders in the 18th Annual General Meeting.

HEARING AND RESOLVING CONCERNS AND ISSUES

We have specific processes policies and procedures for dealing with issues and concerns raised by our employees including to report and deal with sexual harassment cases at the workplace. We have also constituted a committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013 for hearing and resolving the cases.

Following are the details of workplace sexual harassment complaint received and resolved-

S. No	Workplace Sexual Harassment Complaint Received	FY 2016-2017
1	No. of complaints received under the Act.	-
2	No. of complaints disposed-off during the year.	-
3	No. of cases pending for more than 90 days.	-
4	No. of information sessions/seminar organized during the year.	-
5	Information on Action Taken	-

VIGIL MECHANISM

As per Section 177 (9) and (10) of the Companies Act, 2013, the Company has established vigil mechanism under the overall supervision of Audit Committee, for its employees to report genuine concerns. The Company has adopted the group ethics helpline toll free number and systems in this regard. Educative materials have been provided to all the employees of the Company in this regard. The procedure established fully safeguards the interest of its stakeholders, whistle blowers, directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company. The details of the helpline with necessary guidance has been provided on the website of the Company.

ORDER OF COURT

There are no material adverse orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used efficiently and adequately protected.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the executives, staff and workers of the Company

For and on behalf of the Board of Directors

Brightstar Telecommunications India Limited

Sd/-	Sd/-
Deval Parikh	Dharshan Nanayakkara
Director	Director
DIN: 03352255	DIN:06930415

Date : August 24, 2017
Place : Gurugram

Annexure 1

Form AOC-1

(Pursuant to first proviso to sub-section(3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

1. Sl. No.: 1
2. Name of the subsidiary: Brightstar Telecommunications Singapore Private Limited (Erstwhile Beetel Teletech Singapore Private Limited)
3. The date since when subsidiary was acquired: 22/12/2011
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period:- The reporting period for the subsidiary concerned is same as for the holding company's reporting period i.e. from 01^{st} April, 2016 to 31^{st} March, 2017.
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. Reporting currency - USD, Exchange rate - 1 USD = INR 64.85 for balance sheet items and 1 USD = INR 67.049 used for profit and loss items.
6. Share capital INR 65
7. Reserves and surplus INR 201,269,989
8. Total assets INR 401,980,632
9. Total Liabilities INR 200,710,578
10. Investments -
11. Turnover INR 1,183,647,506
12. Profit before taxation INR 77,198,510
13. Provision for taxation INR 9,114,445
14. Profit after taxation INR 68,084,065
15. Proposed Dividend -
16. Extent of shareholding (in percentage) 100% owned by Brightstar Telecommunications India Limited.

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year - Not Applicable

Part B Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not Applicable

Name of Associates or Joint Ventures	-
1. Latest audited Balance Sheet Date	-
2. Date on which the Associate or Joint Venture was associated or acquired	-
3. Shares of Associate or Joint Ventures held by the company on the year end	-
No.	-
Amount of Investment in Associates or Joint Venture	-
Extent of Holding (in percentage)	-
4. Description of how there is significant influence	-
5. Reason why the associate/joint venture is not consolidated	-
6. Net worth attributable to shareholding as per latest audited Balance Sheet	-
7. Profit or Loss for the year	-
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

Annexure 2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year Ended on 31st March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Extract of Annual Return of a Company Having a Share Capital

I Registration and other Details

CIN	U32204HR1999PLC042204
Registration Date	30 03 99 (Day Month Year)
Company Name	BRIGHTSTAR TELECOMMUNICATIONS INDIA LIMITED
Category	
Sub-Category of the Company	
Address	FIRST FLOOR, PLOT NO. 16, UDHYOG VIHAR, PHASE IV
Town/City	GURUGRAM 122015
State	HARYANA
Telephone With STD (Area Code / Number)	+91 124 4823500
Fax Number	+91 124 4146130
E Mail	NEERU.BHALLA@BRIGHTSTARCORP.IN
Whether listed Company Y - Yes, N - No	N
Name, Address and Contact details of Registrar and Transfer Agent	
Name	MCS SHARE TRANSFER AGENT LTD.
Address	F-65 1ST FLOOR OKHLA INDUSTRIAL AREA DELHI
Telephone With STD (Area Code / Number)	+91 11 41406149
Fax Number	+91 11 41709881
E Mail	ADMIN@MCSREGISTRARS.COM

II Principal Business Activities of the company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No	Name and Description of Main Products/ Services	NIC Code of Products/Services	% to total turnover of the company
1	Company's branded landline telephones and other products	Division 26: Manufacture of computer, electronic and optical products – Class 2630 – Subclass 26302	2.13
2	Company's distributed/marketed products of other brands	Division 46: Wholesale trade, except of Motor Vehicles and Motor Cycles. – Class 469 – Subclass 46909	97.72

III Particulars of Holding, Subsidiary and Associates Companies:

S. No	Name and address of the company	CIN/GNL	Holding/Subsidary/Associate	% of Shares Held	Applicable Section
1	Brightstar Logistics PTE Limited		Holding Company	51%	Section 2 (87)
2	Brightstar Telecommunications Singapore Private Limited		Subsidary Company	100%	Section 2 (87)

IV Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year				No of Shares held at the end of year				% change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	**Promoters**									
1	**Indians**									
	Individual/HUF	-	-	-	-	-	-	-	-	-
	Central Govt.	-	-	-	-	-	-	-	-	-
	State Govt.	-	-	-	-	-	-	-	-	-
	Bodies Corp.	2,266,277	-	2,266,277	44.51	2,266,277		2,266,277	44.51	0.00
	Banks/FI	-	-	-	-	-	-	-	-	-
	Any Others	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1)	**2,266,277**	**-**	**2,266,277**	**44.51**	**2,266,277**	**-**	**2,266,277**	**44.51**	**0.00**
2	**Foreign**									
	NRIs- Individuals	-	-	-	-	-	-	-	-	-
	Other- Individuals	-	-	-	-	-	-	-	-	-
	Bodies Corp.	2,596,720	-	2,596,720	51.00	2,596,720	-	2,596,720	51.00	0.00
	Banks/FI	-	-	-	-	-	-	-	-	-
	Any Others	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2)	**2,596,720**	**-**	**2,596,720**	**51.00**	**2,596,720**	**-**	**2,596,720**	**51.00**	**0.00**
	Total shareholding of Promoter A =(A)(1)+(A)(2)	**4,862,997**	**-**	**4,862,997**	**95.51**	**4,862,997**	**-**	**4,862,997**	**95.51**	**0.00**
B.	**Public Shareholding**									
1	**Institutions**									
	Mutual Funds	-	-	-	-	60	-	60	0.001	0.001
	Banks/FI	-	-	-	-	30	60	90	0.002	0.002
	Central Govt.	-	-	-	-	-	-	-	-	-
	State Govt.	-	-	-	-	-	-	-	-	-
	Venture Capital Fund	-	-	-	-	-	-	-	-	-
	Insurance Company	-	-	-	-	30	-	30	0.001	0.001

	FIIs	-	-	-	-	-	30	30	0.001	0.001
	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	Any others (Company)	-	-	-	-	-	-	-	-	-
	Sub-Total (B) (1)	-	-	-	-	**120**	**90**	**210**	**0.004**	**0.004**
2	**Non Institutions**									
	Bodies Corp. Indian	80,719	-	80,719	1.59	83,833	1351	85,184	1.67	0.09
	Bodies Corp. Overseas	-	-	-	-	-	-	-	-	-
	Individual shareholders holding nominalshare capital uptoRs. 1 lakh	58,065	89,826	147,891	2.90	53,954	69,329	123,283	2.42	-0.48
	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
	Any others	-	-	-	-	-	-	-	-	-
	Trust & Foundations	-	-	-	-	2,514	-	2,514	0.05	0.05
	Non Resident Individual	-	-	-	-	2,420	14,999	17,419	0.34	0.34
	Sub-Total (B) (2)	**138,784**	**89,826**	**228,610**	**4.49**	**142,721**	**85,679**	**228,400**	**4.49**	**-0.004**
	Total Public shareholding B =(B)(1)+(B)(2)	**138,784**	**89,826**	**228,610**	**4.49**	**142,841**	**85,769**	**228,610**	**4.49**	**0.000**
C.	**Shares held by Custodian for GDRs & ADRs**	**-**	**-**	**-**	**-**	-	-	-	-	-
	GRAND TOTAL =A+B+C	**5,001,781**	**89,826**	**5,091,607**	**100**	**5,005,838**	**85,769**	**5,091,607**	**100**	**0.00**

ii) Shareholding of promoters

S. No	**Shareholder's Name**	**No. of Shares held at the beginning of the year**			**No. of Shares held at the end of the year**			**% change in shareholding during the year**
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Bharti (SBM) Holdings Private Limited	1,007,235	19.78	-	1,007,235	19.78	-	0.00
2	Bharti (RM) Holdings Private Limited	629,521	12.36	-	629,521	12.36	-	0.00
3	Bharti (RBM) Holdings Private Limited	629,521	12.36	-	629,521	12.36	-	0.00
4	Brightstar Logistics PTE Limited	2,596,720	51.00	-	2,596,720	51.00	-	0.00

iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year		**Cumulative Shareholding during the year**	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	4,862,997	95.50	4862997	95.50
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc)	-	-	-	-
At the End of the year	4,862,997	95.50	4862997	95.50

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	**For Each of the Top 10 Shareholders**	**Shareholding at the beginning of the year**		**Shareholding at the end of the year**	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Harsha Hitesh Javeri	8,846	0.17	8,846	0.17
2	Sajjid A Khan	2,610	0.05	2,610	0.05
3	Rasila Shantilal Mehta	1,500	0.03	1,500	0.03
4	Rasila Shantilal Mehta	1,026	0.02	1,026	0.02
5	Bharti Enterprises Limited	80,719	1.59	82,182	1.61
6	Indrakala Gattani	840	0.02	840	0.02
7	Rajiv Chaudri	631	0.01	631	0.01
8	S Vijaylakshmi	600	0.01	600	0.01
9	Leelu Bhagwan Wadhwani	592	0.01	592	0.01
10	Custodian (SPECIAL COURT) Rasila Shantilal Mehta	513	0.01	513	0.01

v) Shareholding of Directors and Key Managerial Personnel:

	Shareholding at the beginning of the year		**Cumulative Shareholding during the year**	
For each of the Directors and KMP	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	-	-	-	-
Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc)	-	-	-	-
At the End of the year	-	-	-	-

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (INR in Mn.)

Particulars	Secured Loan	Unsecured Loan	Deposit	Total
Indebtness at the begning of the year				
Principal Amount	928.74	-	-	928.74
Interest due but not paid	-	-	-	-
Interest accrued but not due	0.35	-	-	0.35
Total	928.74	-	-	928.74
Change in Indebtedness during the financial year				
Addition	3,062.17	-	-	3,062.17
Reduction	-	-	-	-
Net Change	3,062.17	-	-	3,062.17
Indebtedness at the end of the financial year				
Principal Amount	3,990.91	-	-	3,990.91
Interest due but not paid	-	-	-	-
Interest accrued but not due	9.65	-	-	9.65
Total	4,000.56	-	-	4,000.56

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager: (INR in Mn.)

S. No	Particulars of Remuneration	Mr. Alok Shankar, Whole Time Director	Mr. Deval Parikh, Whole Time Director	Total Amount
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.07	25.72	33.79
(b)	Value of perquisites under section 17(2) of the Income-tax Act, 1961	-	1.01	1.01
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify…	-	-	-
8	Others, please specify	-	-	-
	Total (A)	8.07	26.73	34.80
	Ceiling as per the Act*	Not Applicable	Not Applicable	Not Applicable

* The ceiling is not applicable upon the Company pursuant to compliance of Rule 7 of Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014

b. Remuneration to other directors: (INR in Mn.)

S. No	Particulars of Remuneration			Total Amount
1	Gross salary	-	-	-
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
(b)	Value of perquisites under section 17(2) of the Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Independent Directors	**Rajesh Madan**	**Geeta Mathur**	-
	Fee for attending board / committee meetings	0.78	0.78	1.56
	Commission	-	-	-
	Others, specify…	-	-	-
	Total (1)	0.78	0.78	1.56
4	Other Non-Executive Directors	-	-	-
	Fee for attending board / committee meetings	-	-	-
	Commission	-	-	-
	Others, specify…	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
	Total Managerial Remuneration	0.78	0.78	1.56
	Overall Ceiling as per the Act	-	-	-

c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (INR in Mn.)

S. No	Particulars of Remuneration	Neeru Bhalla, Company Secretary	Puneet Khanna, Chief Financial Officer	Rohit Kumar Gupta, Chief Financial Officer	Total
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.11	11.01	0.57	14.69
(b)	Value of perquisites under section 17(2) of the Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify…	-	-	-	-
8	Others, please specify	-	-	-	-
	Total (A)	3.11	11.01	0.57	14.69

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure 3

RELATED PARTY TRANSACTION DETAILS

1. Details of contracts or arrangements or transactions not at arm's length basis

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
None								

2. Details of material contracts or arrangement or transactions at arm's length basis (Rs. in million)

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/ transaction	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	date(s) of approval by the Audit Committee/ Board	Amount paid as advances, if any:
1	Brightstar Telecommunications Singapore Private Limited	Management fees Share of common expenses/Scheme Corporate Guarantee Charge	Ongoing	17.72	16th March 2016, 24th November 2016,15th March 2017	-
2	Brightstar Logistics Pty Ltd.	Management fees, Labour Charges for BBTI software, Travel & other expenses related to FPC, CEO recruitment charge, Notarial Services charge	Ongoing	70.90	16th March 2016, 28th July 2016, 24th November 2016	-
3	Brightstar Corp. (US)	Purchase of handphones for resell, Expenses on behalf of related party, Purchase of ODM for resell, Legal and Professional Charges, Sale of Handphones, CEO recruitment charge	Ongoing	1548.94	16th March 2016, 28th July 2016, 24th November 2016, 15th March 2017	-
4.	Brightstar Supply Chain Services SD (Malaysia)	Expensed incurred by related party on behalf of the Company	Ongoing	0.50	16th March 2016	-
5.	Brightstar Telecom Services Pvt. Limited	Expensed incurred by related party on behalf of the Company	Ongoing	0.40	16th March 2016	-
6.	Brightstar Logistics Pte Ltd.	Expenses on behalf of Related Party	Ongoing	0.71	24th November 2016, 15th March 2017	-

Related Party Transaction as per Accounting Standard-18

(As disclosed in note 37 to the Standalone Audited Financials)

Related party transactions

S.No.	Nature of relationship	Name of the party
a.	Ultimate holding company	Brightstar Corp
b.	Holding company	Brightstar Logistics Pte Ltd
c.	Enterprise having substantial interest in the Company	Bharti (SBM) Holdings Private Limited Bharti (RBM) Holdings Private Limited Bharti (RM) Holdings Private Limited
d.	Subsidiary company (Wholly owned)	Brightstar Telecommunications Singapore Private Limited (Erstwhile Beetel Teletech Singapore Private Limited)
e.	Fellow subsidiaries and other companies which do not exercise control or significant influence over the Company (with whom the Company has transactions)	Brightstar NZ Limited Brightstar Supply Chain Services Sdn Bhd Brightstar Telecom Services Pvt. Ltd. Brightstar Logistics Pty Ltd Brightstar FZE
f.	Key management personnel of the Company	**Whole Time Directors:** Mr. Alok Shankar-CEO till July 5, 2016 and Whole Time Director till July 7, 2016 Mr. Deval Parikh-CEO with effect from July 6, 2016 and Whole Time Director since September 20, 2016 **Others:** Geeta Mathur (Independent Director) Rajesh Madan (Independent Director) Paul Andrew Ringrose (Director) Dharshan Nanayakkara (Director) Harjeet Singh Kohli (Director) Puneet Khanna (CFO till February 28, 2017) Rohit Gupta (CFO with effect from March 15, 2017) Neeru Bhalla (Company Secretary)

Details of transaction between the Company and its related parties are disclosed below:

(Rs. in Million)

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Key Managerial Personnel*
Nature of transactions with related parties						
Purchase of goods	31-Mar-17	-	-	-	-	-
	31-Mar-16	266.96	-	-	-	-
Purchase of property and other assets	31-Mar-17	-	-	-	-	-
	31-Mar-16	-	-	-	2.96	-
Expenses incurred by related party on behalf of Company	31-Mar-17	1.12	0.42	-	12.46	-
	31-Mar-16	-	6.44	-	0.72	-
Expenses incurred by Company on behalf of related party	31-Mar-17	4.28	-	10.42	-	-
	31-Mar-16	-	-	6.41	-	-
Management contract fees expenses	31-Mar-17	-	-	-	5.33	-
	31-Mar-16	-	-	-	22.48	-
Management contract fees income	31-Mar-17	-	-	7.24	-	-

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Key Managerial Personnel*
	31-Mar-16	-	-	4.56	-	-
Short-term employee benefits	31-Mar-17	-	-	-	-	50.44
	31-Mar-16	-	-	-	-	43.69
Fee for attending board committee meetings	31-Mar-17	-	-	-	-	1.56
	31-Mar-16	-	-	-	-	1.74

*The remuneration to the key managerial personnel ('KMP') does not include the provisions made for gratuity, compensated absences as they are determined on an actuarial basis for the Company as a whole.

Balance outstanding at the end of the year

(Rs. in Million)

Nature of balances with related parties	Balance as on	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Key Managerial Personnel
Trade payables	31-Mar-17	27.12	0.41	-	0.03	-
	31-Mar-16	267.92	8.57	-	19.73	-
	01-Apr-15	-	3.64	-	5.50	-
Other receivables*	31-Mar-17	-	-	-	-	-
	31-Mar-16	-	-	-	-	-
	01-Apr-15	0.46	-	-	-	-
Employee related liabilities	31-Mar-17	-	-	-	-	5.52
	31-Mar-16	-	-	-	-	8.53
	01-Apr-15	-	-	-	-	5.02

* Enterprises owned or significantly influenced by key management personnel or their relatives includes Bharti Airtel Limited and Bharti Reality Holding Limited which were related party upto September 30, 2014 and hence not included in above details.

Annexure 4

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1 The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR as one of the key focus areas to adhere to progress strategy that focuses on making a positive contribution to society through high impact, sustainable programs. The policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It coves the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

2 The Composition of the CSR Committee.

S. No	Name of the Member
1	Deval Parikh
2	Geeta Mathur
3	Rajesh Madan
4	Harjeet Singh Kohli

3 Average net profit of the company for last three financial year

Financial Year	Net Profit/Net Loss (-) (Rs.)
F.Y. 13-14	144,322,536
F.Y. 14-15	129,365,864
F.Y. 15-16	(109,682,169)
Total net profit for 3 years	164,006,231
Average net profit of the company for last three financial years	54,668,744

4 Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) in INR 1,093,375

5 Details of CSR spent during the financial year in INR

a. Total amount to be spent for the financial year; 1,093,375

b. Amount unspent, if any; -

c. Manner in which the amount spent during the financial year is detailed below.

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1	To donate amount of INR 1,093,375 to Bharti Foundation for meeting operational expenditure of Satya Bharti School located at Hambran, Ludhiana (Punjab)	Eductaion Sector	To meet operational expenditure of Satya Bharti School, Hambran, Ludhiana (Punjab)	INR 1,093,375	INR 1,093,375	INR 1,093,375	Amount spent through Bharti Foundation

6 In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.: Not applicable

7 CSR Committee declares that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Annexure 5

Information as per Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

S. No	Name of the Employee	Designation of the employee	Remuneration received (in Rs.)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age of such employee	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the company and if so name of such director or manager
1	Alok Shankar	Whole Time Director till 07-07-2016, Chief Executive Officer till 05-07-2016, Advsior w.e.f. 08-07-2016	17,548,706	Permanent	BE(Mech.), MBA	10-01-2014 (last date of employment- 31-12-2016)	47	Brightpoint India	-	-
2	Deval Parikh	Whole Time Director & Chief Executive Officer	26,379,727	Permanent	Master of Engineering Mgmt.,MBA (22 years)	06-07-16	45	Reliance JIO	-	-
3	Puneet Khanna	Chief Financial Officer till 28-02-2017, Financial Advsior w.e.f. 01-03-2017	14,118,468	Permanent	B.Com, Chartered Accountant (23 years)	10-06-14	47	American Tower	-	-
4	Rajiv Ahlawat	Vice President	2,760,909	Contractual	B.Com, MS (21 years)	01-01-17	45	Partners 4 India	-	-
5	Prabhat Maheshwari	Vice President	7,964,535	Permanent	BE (Mechanical), MBA (18 years)	10-08-16	43	Snapdeal	-	-
6	Rohit Kumar Gupta	Chief Financial Officer	1,036,748	Permanent	B.Com, Chartered Accountant (25 years)	01-03-17	48	NIIT Ltd.	-	-

Note:

The board's report shall include a statement showing the name of top ten employee of the Company in terms of remuneration drawn and the name of every employee , who

a. if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.

b. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh and fifty thousand rupees per month.

c. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

Annexure 6

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,
Brightstar Telecommunications India Limited (Erstwhile Beetel Teletech Limited)
First Floor, Plot No. 16,
Udyog Vihar, Phase IV,
Gurugram (HR) - 122015

CIN.: U32204HR1999PLC042204

Authorised Capital: Rs. 10 Crore

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Brightstar Telecommunications India Limited, erstwhile Beetel Teletech Limited, ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information/representations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit.

We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -Not applicable

   II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; -Not applicable

   III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -Not applicable

   IV. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; -Not Applicable

   V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -Not applicable

   VI. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;-Not applicable

   VII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable

   VIII. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable

IX. The other laws as applicable specifically on the Company

a. Labour and Industrial Laws such as The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Employees Provident Fund and Miscellaneous Provisions Act, 1952, Equal Remuneration Act,1976, Contract Labour (Regulation and Abolition) Act, 1970, Maternity Benefit Act, 1961, The Apprentices Act, 1961, The Child Labour (Prohibition & Abolition) Act, 1960, Employees' Compensation Act, 1923; Factories Act, 1948, Industrial Dispute Act, 1947, Industrial (Development & Regulation) Act, 1951

b. Environmental Laws such as Environment Protection Act, 1986, Water (Prevention & Control of Pollution) Act, 1974.

c. Financial Laws such as Income Tax Act, 1961, Service Tax Act (Finance Act, 1994), State & Central Sales (VAT) Act (Central Sales Tax Act, 1956), Central Excise Act,1944, Customs Act, 1962.

d. Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 & rules there made therein.

e. IPR (Intellectual Property Rights) Laws such as Trade Mark Act, 1999, Copyrights Act, 1957, Patent Act, 1970.

f. Other laws to the extent applicable are Registration Act, 1908, Indian Stamp Act, 1899, Limitation Act, 1963, Transfer of Property Act, 1882, Indian Contract Act, 1872, Negotiable Instrument Act, 1881, Sales of Goods Act, 1930, Information Technology Act, 2000, Consumer Protection Act, 1986, Competition Act, 2002, Legal Metrology Act, 2009.

We have also examined compliance with the applicable clauses of the following:

I. Secretarial Standards issued by the Institute of Company Secretaries of India.

II. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; -Not applicable

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I. That the Company has maintained statutory registers and records under the provisions of Companies Act, 2013;

II. That the Company has filed all the forms, returns, documents and resolutions with the Registrar of Companies, Delhi & Haryana prescribed under the Act and rules made there under.

III. That the Board has duly met 5 (five) times i.e. on 04th April, 2016, 07th July, 2016, 28th July, 2016, 24th November, 2016 and 15th March, 2017 during the year. The committee meeting details are as follows:-

a. Audit Committee met 4 (four) times on 7th July, 2016, 28th July, 2016, 24th November, 2016 and 15th March, 2017;

b. Nomination and Remuneration Committee duly met 3 (three) times on 04th April, 2016, 07th July, 2016 and 15th March 2017 during the year.

c. Corporate Social Responsibility committee met 1 (one) times on 15th March, 2017 during the year

IV. That the Annual General Meeting for the financial year ended on 31st March 2016 was held on 20th September, 2016.

V. That the Company has deposited the unclaimed dividend pending for more than seven years to the Investor Education and Protection Fund managed by Ministry of Corporate Affairs, New Delhi pursuant to Section 205 of the Companies Act, 1956.

VI. That the Company has appointed Mr. Deval Parikh as an Additional Director with effect from 06th July 2016. Later, he was appointed as Whole Time Director of the Company for a period of 5 years with effect from 20th September, 2016. Mr. Alok Shankar resigned as Whole Time Director of the Company with effect from 07th July, 2016.

Mr. Deval Parikh was appointed Chief Executive Officer of the Company with effect from 06th July, 2016. Mr. Alok Shankar resigned as Chief Executive Officer of the Company with effect from 05th July, 2016.

Mr. Paul Andrew Ringrose was appointed as an Additional Director of the Company with effect from 12th July 2016 and has been re-appointed as a Director of the Company in the Annual General Meeting dated 20th September 2016.

Mr. Harjeet Singh Kohli was appointed as an Additional Director of the Company with effect from 01st August 2016 and has been re-appointed as a Director of the Company in the Annual General Meeting dated 20th September 2016.

Mr. Noel Gerald Marsden resigned from the post of the directorship of the Company with effect from 15th July, 2016. Mr. Rahul Bhatnagar resigned from the post of directorship of the Company with effect from 04th August, 2016.

Mr. Puneet Khanna resigned as the Chief Financial officer of the Company with effect from 28th February, 2017. Mr. Rohit Kumar Gupta is appointed as the Chief Financial Officer of the Company with effect from 15th March, 2017.

The Company has re-reconstituted its various Committees as per the provisions of the Companies Act, 2013;

VII. That the Company has changed its Memorandum and Article of association in respect of name clause from Beetel Teletech Limited to Brightstar Telecommunications India Limited in the extra ordinary general meeting held on 31st January 2017;

VIII. That the shares of the Company are in dematerialized and in physical form. In respect of the shares which are in dematerialized form with the depositories, an agreement has been entered between the Company and the Depository initially in the year 1993 and has been amended/revised from time to time;

IX. That the Company has adopted and/or filed Share Capital Audit Report issued by a Practicing Company Secretary with respect to the reconciliation of shares as per clause 55A of SEBI (Depositories and Participants) Regulations, 1996 for the quarter ending 30th June, 2016, 30th September, 2016, 31st December, 2016 and 31st March, 2017 respectively;

We further report that

The Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent in as per the provisions of Companies Act, 2013 and secretarial standards and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the Board decisions are taken unanimously and recorded in the Minutes Book of the Company during the period under review.

We further report that based on the review of compliance report taken on record by the Board of Directors of the company, in my opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no other specific event required to be reported except above mentioned.

For Saurabh Jain & Associates
Company Secretaries

Sd/-
Proprietor
Saurabh Jain
Membership no: 23427
C P No.: 11247

Place : Delhi
Date : August 18, 2017

INDEPENDENT AUDITOR'S REPORT

To The Members of **BRIGHTSTAR TELECOMMUNICATIONS INDIA LIMITED (FORMERLY KNOWN AS BEETEL TELETECH LIMITED)**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **BRIGHTSTAR TELECOMMUNICATIONS INDIA LIMITED** (formerly known as Beetel Teletech Limited) ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2017, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone cash flows and standalone changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the standalone state of affairs of the Company as at March 31, 2017, and its standalone loss, standalone total comprehensive loss, its standalone cash flows and the standalone changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Cash Flow Statement and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements (Refer Note 34 to standalone financial statements);
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer Note 44 to standalone financial statements);
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company (Refer Note 45 to standalone financial statements);
      iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management(Refer Note 46 to standalone financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Vijay Agarwal
(Partner)
(Membership No. 094468)

Place : Gurugram
Date : August 24, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f)under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BRIGHTSTAR TELECOMMUNICATIONS INDIA LIMITED** (formerly known as Beetel Teletech Limited) ("the Company") as at March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Vijay Agarwal
(Partner)
(Membership No. 094468)

Place : Gurugram
Date : August 24, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the lenders confirmations in respect of immovable properties of land and buildings whose title deeds have been mortgaged as security for loans, we report that these title deeds are held in the name of Company.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees under Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of electrical and electronic equipments or appliances manufactured by the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. The Company has been generally regular in depositing undisputed Income-Tax to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved* (Rs. in million)	Amount Unpaid (Rs. in million)
Finance Act, 1944	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2005-2006 to 2007-2008	1.97	1.03
Sales Tax Laws	Sales Tax	Appellate Authority	1995-96 to 1997-98, 2005-06 & 2007-08 to 2015-16	368.11	352.45
Sales Tax Laws	Sales Tax	Sales Tax Tribunal	1991-98, 2007-2008 & 2008-09	144.97	62.91
Sales Tax Laws	Sales Tax	High Court	2000-01 & 2006-07	14.75	14.75
Customs Act,1962	Customs Duty	Customs, Excise and Service Tax Appellate Tribunal	2011-12	11.85	11.85
Central Excise Law	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2000-01	1.05	1.05
Income Tax Act, 1961	Income Tax	Assessing Officer	2006-07 and 2007-08	0.87	0.87

* amount as per demand orders including interest and penalty wherever quantified in the order

The following matters have been decided in the favour of Company, although the department has preferred appeals at higher levels-

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In million)	Amount Unpaid (Rs. in million)
Income Tax Act, 1961	Income Tax	ITAT	2004-05	3.96	3.96

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loan or borrowings from financial institutions and government and has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause (xvi) of the Order is not applicable to the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Vijay Agarwal
(Partner)
(Membership No. 094468)

Place : Gurugram
Date : August 24, 2017

STANDALONE BALANCE SHEET as at March 31st, 2017

(Rs. in Million)

PARTICULARS	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	129.64	149.85	167.88
(b) Capital work-in-progress	4	-	0.72	2.63
(c) Intangible assets	5	5.45	7.17	6.61
(d) Financial assets				
(i) Investment in subsidiary	6	360.86	360.86	360.86
(ii) Loans	7	24.63	19.97	18.53
(iii) Other financial assets	8	22.33	4.05	8.96
(e) Deferred tax assets (net)	9	60.41	49.49	-
(f) Non-current tax assets (net)	10	171.13	158.56	59.02
(g) Other non-current assets	11	27.10	36.62	14.05
Total non-current assets		**801.55**	**787.29**	**638.54**
Current assets				
(a) Inventories	12	3,285.67	3,462.61	1,410.90
(b) Financial assets				
(i) Trade receivables	13	4,596.47	6,277.54	1,716.86
(ii) Cash and cash equivalents	14	5.47	7.51	66.90
(iii) Other bank balances	15	2.18	2.02	1.86
(iv) Other financial assets	8	89.08	104.41	8.66
(c) Current tax assets (net)	10	-	-	9.12
d) Other current assets	11	839.86	440.23	83.44
Total current assets		**8,818.73**	**10,294.32**	**3,297.74**
TOTAL ASSETS		**9,620.28**	**11,081.61**	**3,936.28**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	50.92	50.92	50.92
(b) Other equity	17	47.88	573.22	631.93
Total equity		**98.80**	**624.14**	**682.85**
Liabilities				
Non-current liabilities				
(a) Provisions	18	46.88	25.20	22.78
(b) Deferred tax liabilities (net)	9	-	-	1.34
Total non-current liabilities		**46.88**	**25.20**	**24.12**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	3,990.91	928.74	740.89
(ii) Trade payables	21	5,160.54	9,180.13	2,345.52
(iii) Other financial liabilities	22	34.16	31.58	2.65
(b) Provisions	18	49.49	74.80	80.72
(c) Other current liabilities	19	239.50	217.02	59.53
Total current liabilities		**9,474.60**	**10,432.27**	**3,229.31**
Total liabilities		**9,521.48**	**10,457.47**	**3,253.43**
TOTAL EQUITY AND LIABILITIES		**9,620.28**	**11,081.61**	**3,936.28**

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 24 , 2017

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended March 31st, 2017

(Rs. in Million)

	PARTICULARS	Notes	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from operations	23	37,017.81	38,787.13
II	Other income	24	17.59	24.30
III	**Total income (I + II)**		**37,035.40**	**38,811.43**
IV	**Expenses**			
	(a) Cost of material consumed	25	342.15	527.54
	(b) Purchases	26	35,580.97	39,174.08
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	185.73	(2,065.60)
	(d) Excise duty on sale of goods		79.84	103.66
	(e) Employee benefit expense	28	502.59	450.03
	(f) Finance costs	29	238.54	190.58
	(g) Depreciation and amortisation expense	30	29.22	31.24
	(h) Other expenses	31	622.27	514.78
	Total expenses (IV)		**37,581.31**	**38,926.31**
V	**Loss before tax (III-IV)**		**(545.91)**	**(114.88)**
VI	**Tax expense/(credit)**			
	(a) Current tax	32	(17.34)	(7.31)
	(b) Deferred tax	32	(8.26)	(49.98)
			(25.60)	**(57.29)**
VII	**Loss for the year (V-VI)**		**(520.31)**	**(57.59)**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit and loss			
	(i) Remeasurements of the defined benefit plans		(7.69)	(1.71)
	Income tax effect		2.66	0.59
	Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**(5.03)**	**(1.12)**
IX	**Total comprehensive loss for the year (VII + VIII)**		**(525.34)**	**(58.71)**
X	**Earnings/ (loss) per equity share (face value of share Rs. 10 each)**			
	(a) Basic (in Rs.)	33	(102.22)	(11.31)
	(b) Diluted (in Rs.)	33	(102.22)	(11.31)

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 24 , 2017

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended March 31st, 2017

Equity share capital (Equity shares of Rs. 10 each issued, subscribed & fully paid up)	Rs. in Million
Balance as at April 01, 2015	**50.92**
Changes in equity share capital during the year	-
Balance as at March 31, 2016	**50.92**
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**50.92**

(Rs. in Million)

Other equity	Reserves and surplus				
	General Reserve	**Capital Reserve**	**Securities premium**	**Retained earnings***	**Total**
	(Refer Note 17.a)	(Refer Note 17.b)	(Refer Note 17.c)	(Refer Note 17.d)	
Balance as at April 01, 2015	**26.50**	**2.50**	**5.27**	**597.66**	**631.93**
Loss for the year	-	-	-	(57.59)	(57.59)
Other comprehensive loss for the year	-	-	-	(1.12)	(1.12)
Total movement for the year	**-**	**-**	**-**	**(58.71)**	**(58.71)**
Balance as at March 31, 2016	**26.50**	**2.50**	**5.27**	**538.95**	**573.22**
Loss for the year	-	-	-	(520.31)	(520.31)
Other comprehensive loss for the year	-	-	-	(5.03)	(5.03)
Total movement for the year	**-**	**-**	**-**	**(525.34)**	**(525.34)**
Balance as at March 31, 2017	**26.50**	**2.50**	**5.27**	**13.61**	**47.88**

* Includes Rs. 349.96 Million as at April 1, 2015 on account of fair valuation of property, plant and equipment and investment in subsidiary made pursuant to Ind AS adoption.

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 24 , 2017

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

STANDALONE CASH FLOW STATEMENT for the year ended March 31st, 2017

(Rs. in Million)

PARTICULARS	Year Ended March 31, 2017	Year Ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) for the year after tax	(520.31)	(57.59)
Adjustments for :		
Income tax expense	(25.60)	(57.29)
Finance cost	238.54	190.58
Interest income	(1.25)	(3.04)
Loss/(Gain) on disposal of property, plant and equipment	0.14	(0.05)
Unrealised exchange (gain)/loss (net)	(7.93)	9.63
Depreciation and amortisation expense	29.22	31.24
Impairment loss recognised on trade receivables	66.14	3.27
Bad debts/amounts written off	0.23	0.76
Liabilities/provisions no longer required written back	(1.97)	(1.85)
Allowances for obsolete/slow moving stock	(1.36)	10.74
Allowances for doubtful advances	(1.11)	1.28
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**(225.26)**	**127.68**
Movements in working capital:		
(Increase)/decrease in trade receivables	1,614.34	(4,564.12)
(Increase)/decrease in inventories	178.30	(2,062.45)
(Increase)/decrease in loans	(4.66)	(1.83)
(Increase)/decrease in other financial assets	15.38	(96.96)
(Increase)/decrease in other assets	(386.90)	(381.57)
Increase/(decrease) in trade payables	(3,984.79)	6,856.83
Increase/(decrease) in provisons	5.24	1.79
Increase/(decrease) in other financial liabilities	(31.09)	0.37
Increase/(decrease) in other liabilities	22.56	157.55
CASH GENERATED FROM/(USED IN) OPERATIONS	**(2,796.88)**	**37.29**
Income taxes paid	(11.78)	(90.37)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**(2,808.66)**	**(53.08)**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	0.45	0.28
Payments for property, plant and equipment	(8.72)	(7.52)
Payments for intangible assets	(0.72)	(3.82)
Proceeds from investments in deposits	-	4.91
Payments for investments in deposits	(18.28)	-
Repayments for bank balance not considered as cash and cash equivalents	(0.16)	(0.16)
Interest received	1.20	4.25
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**(26.23)**	**(2.06)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	3,062.17	187.85
Interest paid	(229.24)	(192.04)
Dividends paid (including dividend tax)*	(0.08)	(0.06)
NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**2,832.85**	**(4.25)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(2.04)**	**(59.39)**
Cash and cash equivalents at the beginning of the year	**7.51**	**66.90**
Cash and cash equivalents at the end of the year	**5.47**	**7.51**
Components of cash and cash equivalents		
Cash in hand	0.05	0.06
Balance with scheduled banks: In current accounts	5.42	7.45
Total cash and cash equivalents as per note 14	5.47	7.51
Cash and cash equivalents at the end of the year	**5.47**	**7.51**

* Dividend paid comprises of amount transferred to Investor Education and Protection Fund.

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 24, 2017

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS for the year ended March 31st, 2017

1. Corporate information

Brightstar Telecommunications India Limited (Erstwhile Beetel Teletech Limited) ('the Company') was incorporated in India on March 30, 1999. The Company has changed its name from Beetel Teletech Limited to Brightstar Telecommunications India Limited with effect from February 2, 2017. The Company is engaged in trading of landline phones, modems, smart phones, storage devices, information technology peripherals, network equipment, board room solutions, DTH devices, display devices, voice and data products. The Company is also engaged in manufacturing of landline phones.

The registered address of the Company is First Floor, Plot No. 16, Udyog Vihar, Phase IV, Gurugram, Haryana-122015, India.

2. Significant accounting policies

2.1. Statement of compliance

In accordance with the notification issued by Ministry of Corporate Affairs, the Company has voluntary adopted the Indian Accounting Standard (referred to as Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 with effect from April 1, 2016.

Upto the year ended March 31, 2016, the Company prepared its standalone financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS standalone financial statements. The date of transition to Ind AS is April 1, 2015.

Previous years have been restated to Ind AS. Reconciliations and descriptions of the effect of the transition has been summarisedin note 40 of standalone financial statement.

2.2. Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the assets or the liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3. Basis of measurement

The standalone financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting date as required under relevant Ind AS.

2.4. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realised or intended to sold or consumed in normal operating cycle

b) It is held primarily for the purpose of trading

c) It is expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Considering the nature of business activities, the operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

2.5. Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

2.5.1. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

The amount of revenue can be measured reliably;

It is probable that the economic benefits associated with the transaction will flow to the Company; and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of goods is measured at the fair value consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty and net of returns, trade discount, rebates, value added taxes, wherever applicable.

2.5.2. Rendering of services

Service revenues are charged at cost net of discounts and waivers and are recognised as and when services are rendered.The Company collects service tax on behalf of the government and therefore, it is not an economic benefit owing to the Company, hence it is excluded from revenue.

2.5.3. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The Company has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and therefore, the lease payments are recognised as per terms of the lease agreement in the Statement of Profit and Loss.

2.7. Foreign currencies

The functional currency of the Company is the Indian rupee. These standalone financial statements are presented in Indian rupees.

Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currencies are carried at historical cost.

2.8. Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and long term service award.

2.8.1. Defined benefit plans

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried at the year-end using the Projected Unit Credit Method. Remeasurement, comprising actuarial gains and losses are recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. The contribution towards gratuity is made to Life Insurance Corporation.

2.8.2. Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme is considered as defined contribution plans and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The contributions are made to funds administered and managed by the government of India. There are no other obligations under these plans beyond its contributions.

2.8.3. Short-term and other long-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees renders the service. These benefits include bonus and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Short term compensated absences are provided for based on estimates. Long term compensated absences are measured at the present value of the obligation determined on the basis of actuarial valuation carried at the year-end using projected unit credit method. Actuarial gains and losses are recognised immediately as an income or expense in the Statement of Profit and Loss in the period in which they occur.

Long term service award scheme launched during the year are provided for based on actuarial valuation.

The present value of the obligation is determined based on actuarial valuation carried at the year-end using Projected Unit Credit Method. Actuarial gains and losses are recognised immediately as an income or expense in the Statement of Profit and Loss in the period in which they occur.

2.9. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10. Property, plant and equipment

Property, plant and equipment(PPE) are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

For transition to IND AS, the Company has elected to measure all of its property, plant and equipment on fair value as of transition date as calculated under Ind AS and used that fair value as the deemed cost of the property, plant and equipment as on transition date.

Capital work-in-progress:

Projects under which tangible PPE are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation:

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. Property, Plant and Equipment (other than Building, Moulds and Computer software) are depreciated to the extent of 95% of their gross value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Asset Category	Useful lives (years)
Freehold land	Not Depreciated
Leasehold improvement	Over the period of lease
Building-factory*	30
Plant and machinery (other than moulds and office equipments)*	10
Moulds*	2
Office equipments	5
Furniture and fixtures*	5
Computers*	3
Mobile Phones*	2

Fixed assets costing up to Rs. 5,000 are being fully depreciated in the year of acquisition.

*For these class of assets, based on internal assessment and technical evaluation carried out by the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Major computer software in the nature of ERP license is amortized over a period of 5 years and other software have a life of one year.

2.11. Impairment

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal/external factors. An impairment loss is recognised in Statement of Profit and Loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.12. Inventories

Raw materials, stores and spare parts

Lower of cost and net realizable value after providing for obsolescence and other losses. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average cost basis.

Work-in-progress and finished goods

Lower of cost and net realizable value after providing for obsolescence and other losses. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost includes octroi, other levies, transit insurance and receiving charges.

2.13. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranty provisions

Provisions for warranty related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

2.14. Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities valued at fair value through profit or loss are recognised immediately in profit or loss.

2.15. Financial assets

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets.

2.15.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

2.15.2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of Profit and Loss and is included in the "other income" line item.

2.15.3. Financial Assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and in included in the 'other income' line items.

2.15.4. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

2.15.5. Impairment of financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

2.16. inancial Liabilities and Equity Instruments

2.16.1. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

2.16.2. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

2.16.2.1. Financial Liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

It has been incurred principally for the purpose of repurchasing it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or It is a derivative that is not designated and effective as a hedging instrument.

2.16.2.2. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.16.2.3. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.16.2.4. Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payment to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee issued is measured on initial recognition at their fair value and if not designated as at FVTPL, are subsequently measured at the higher of:

the amount of the loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.16.2.5. Derivatives contract

The Company enters into forward contracts to manage its exposure to foreign exchange rate risks. Further details of derivative financial instruments are disclosed in note 39.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.17. First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below. Refer note 40 for reconciliation.

2.17.1. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

2.17.2. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 and as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.17.3. Deemed cost for Investment in subsidiary

The Company has elected to measure its investment in subsidiary at fair value as on the date of transition to Ind AS and used that fair value as deemed cost of investment in subsidiary as at the date of transition.

2.17.4. Deemed cost for property, plant and equipment

The Company has elected to measure all of its property, plant and equipment at fair value as on date of transition to Ind AS and used that fair value as the deemed cost of property, plant and equipment as at the date of transition.

2.17.5. Deemed cost for intangible assets

The Company has elected to continue with the carrying amount of intangible assets as of April 1, 2015 (transition date) as deemed cost in transition to Ind AS.

2.18. Contingent Liabilities

Contingent liabilities are disclosed in the standalone financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

2.19. Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of Cash on hand, balances with banks which are unrestricted for withdrawal and usage and demand deposit with bank.

2.19.1. Cash Flow Statement

Cash flows are reported using the indirect method, where by profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.20. Segment reporting

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.Based on the nature and class of product and services, their customers and assessment of differential risks and returns and financial reporting results reviewed by chief operating decision maker, the Company has identified the Mobile distribution and IT distribution as business segments.

2.21. Earnings per share

2.21.1. Basic earnings per share

Basic earnings per share is calculated by dividing:

The profit attributable to owners of the company

By the weighted average number of equity shares outstanding during the financial year.

2.21.2. Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

The after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22. Material events

Material adjusting events occurring after the balance sheet date are taken into cognizance.

2.23. Recent accounting developments

Standards issued but not yet effective:

Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the standalone financial statements is being evaluated by the Company.

2.24. Use of estimates

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

3. Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

3.1. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

3.1.1. Going concern assumption

Considering negative operating cash flows of Rs. 2808.66 Million for the year ended March 31, 2017 and net current liability (total current assets less total current liabilities) of Rs. 655.87 Million as at March 31, 2017, the Company proposes to fund its operations for twelve months from the date of signing of the financial statements primarily from expected cash flows based on future business projections and unused credit limit of Rs. 2,220 Million as at March 31, 2017 from the financing facilities issued by banks. In this regard the Company has total sanctioned limit of Rs. 7,069 Million from such banks which is guaranteed by Brightstar Corp. (ultimate holding company), Brightstar Logistics Pte Ltd. (holding company) and Brightstar Logistics Pty Ltd. (fellow subsidiary) and will enable to repay the bank borrowings as and when they fall due. As a result, these financial statements have been prepared using the going concern assumption.

3.2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.2.1. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 38 for further disclosures.

3.2.2. Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.2.3. Deferred Taxes

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

3.2.4. Estimation of defined benefits and compensated leave of absence

The present value of the gratuity, pension and leave encashment obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity and leave encashment obligations are given in note 36.

3.2.5. Estimation of useful life of tangible and intangible assets

Management reviews the useful lives of depreciable assets at each reporting date. As at April 1, 2015, Management has assessed that the useful lives represent the expected utility of the assets to the Company and useful life of building has been revised from 20 years to 30 years based on technical advice. Further, there is no change in the useful lives of other tangible and intangible assets as compared to previous year.

4. Property, plant and equipment (Rs. in Million)

Description	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Carrying amounts of :			
1 Freehold land	44.71	44.71	44.71
2 Leasehold improvement	4.77	7.70	10.63
3 Building	31.32	33.93	36.54
4 Plant and machinery	37.77	51.72	62.01
5 Furniture and fixture	1.29	1.34	1.54
6 Computer and networking	9.78	10.45	12.45
Total	**129.64**	**149.85**	**167.88**

Capital Work in Progress	-	**0.72**	**2.63**

Current Year (Rs. in Million)

Description	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2016	Additions during the year	Disposal/ adjustment	As at March 31, 2017	As at April 01, 2016	Depreciation during the year	Disposal/ adjustment	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
1 Freehold land	44.71	-	-	**44.71**	-	-	-	-	**44.71**	44.71
2 Buildings	36.54	-	-	**36.54**	2.61	2.61	-	**5.22**	**31.32**	33.93
3 Leasehold improvement	10.63	-	-	**10.63**	2.93	2.93	-	**5.86**	**4.77**	7.70
4 Plant and equipment	67.34	0.95	0.23	**68.06**	15.62	14.78	0.11	**30.29**	**37.77**	51.72
5 Furniture and fixtures	1.54	0.12	-	**1.66**	0.20	0.17	-	**0.37**	**1.29**	1.34
6 Computer and networking	15.09	5.37	0.66	**19.80**	4.64	5.57	0.19	**10.02**	**9.78**	10.45
Total	**175.85**	**6.44**	**0.89**	**181.40**	**26.00**	**26.06**	**0.30**	**51.76**	**129.64**	**149.85**

Previous Year (Rs. in Million)

Description	Gross block				Accumulated depreciation				Net block	
	Deemed cost as at April 01, 2015	Additions during the year	Disposal/ adjustment	As at March 31, 2016	As at April 01, 2015	Depreciation during the year	Disposal/ adjustment	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
1 Freehold land	44.71	-	-	**44.71**	-	-	-	**-**	**44.71**	44.71
2 Building	36.54	-	-	**36.54**	-	2.61	-	**2.61**	**33.93**	36.54
3 Leasehold improvement	10.63	-	-	**10.63**	-	2.93	-	**2.93**	**7.70**	10.63
4 Plant and machinery	62.01	5.50	0.17	**67.34**	-	15.67	0.05	**15.62**	**51.72**	62.01
5 Furniture and fixture	1.54	-	-	**1.54**	-	0.20	-	**0.20**	**1.34**	1.54
6 Computer and networking	12.45	2.77	0.13	**15.09**	-	4.66	0.02	**4.64**	**10.45**	12.45
Total	**167.88**	**8.27**	**0.30**	**175.85**	**-**	**26.07**	**0.07**	**26.00**	**149.85**	**167.88**

Notes:

1. The fixed assets are hypothecated/mortgaged to secure borrowings of the Company. (Refer Note 20)
2. In accordance with Ind AS 101, the Company has carried out fair valuation of all its property, plant and equipment as on April 1, 2015 and uses that fair value as deemed cost on the date of transition consequent to which value of property, plant and equipment is increased by Rs 81.41 Million as on April 01, 2015.

5. Intangible assets

(Rs. in Million)

Description	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Carrying amounts of :			
Computer software	5.45	7.17	6.61
Total	**5.45**	**7.17**	**6.61**

Current Year (Rs. in Million)

Description	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2016	Additions during the year	Disposal/ adjustment	As at March 31, 2017	As at April 01, 2016	Depreciation during the year	Disposal/ adjustment	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Computer software	12.34	1.44	-	**13.78**	5.17	3.16	-	**8.33**	**5.45**	7.17
Total	**12.34**	**1.44**	**-**	**13.78**	**5.17**	**3.16**	**-**	**8.33**	**5.45**	**7.17**

Previous Year (Rs. in Million)

Description	Gross block				Accumulated depreciation				Net block	
	Deemed cost as at April 01, 2015	Additions during the year	Disposal/ adjustment	As at March 31, 2016	As at April 01, 2015	Depreciation during the year	Disposal/ adjustment	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Computer software	6.61	5.73	-	**12.34**	-	5.17	-	**5.17**	**7.17**	6.61
Total	**6.61**	**5.73**	**-**	**12.34**	**-**	**5.17**	**-**	**5.17**	**7.17**	**6.61**

Intangible assets carried in balance sheet as at April 1, 2015 are in accordance with previous GAAP. The Company has elected to use carrying value as deemed cost at the date of transition.

6. Investment in subsidiary (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current			
(a) Investment in equity shares fully paid up (Unquoted)*	360.86	360.86	360.86
(i) 1 (March 31, 2016- 1) (April 1, 2015- 1) equity share of Brightstar Telecommunications Singapore Private Limited (Erstwhile known as Beetel Teletech Singapore Private Limited) of USD 1 each fully paid up			
	360.86	**360.86**	**360.86**

*In accordance with Ind AS 101, the Company has carried out fair valuation of its investment in subsidiary at April 1, 2015 and used that fair vair as deemed cost on the date of transition consequent to which value of investment is increased by Rs. 360.86 Million.

7. Loans (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current			
Security deposits (Unsecured, considered good)	24.63	19.97	18.53
Security deposits (Unsecured, considered doubtful)	0.39	0.39	-
	25.02	**20.36**	**18.53**
Allowances for credit losses	(0.39)	(0.39)	-
	24.63	**19.97**	**18.53**

8. Other financial assets (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current			
(a) Deposits having maturity of more than 12 months	-	-	5.00
(b) Balances in earmarked accounts			
-Margin money*	22.33	4.05	3.96
	22.33	**4.05**	**8.96**
Current			
(a) Financial assets measured at fair value			
(i) Forward contracts	-	-	0.16
(b) Interest accrued on bank deposits	0.10	0.05	1.26
(c) Receivables from related parties	-	0.48	0.46
(d) Other receivables	88.98	103.88	6.78
	89.08	**104.41**	**8.66**

*Margin money with a carrying amount of Rs. 22.33 Million (March 31, 2016- Rs. 4.05 Million) (April 1, 2015- Rs. 3.96 Million) are hypothecated against the bank guarantee.

9. Deferred tax assets/(liabilities) (net)*

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred tax assets	149.58	139.16	91.32
Deferred tax liabilities	89.17	89.67	92.66
Deferred tax assets/(liabilities)	**60.41**	**49.49**	**(1.34)**

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred tax balances arise from the following:			
Deferred tax liability on account of:			
Property, plant and equipment	17.00	17.50	20.49
Investment in subsidiary	72.17	72.17	72.17
	89.17	**89.67**	**92.66**
Deferred tax asset on account of:			
Provision for employee benefits	19.56	26.54	15.13
Unabsorbed depreciation / losses	47.83	47.83	-
Provision for liabilities deductible on payment basis	25.08	9.99	29.06
Provision for inventories	24.71	25.17	20.12
Provision for doubtful debts and advances	32.15	14.03	11.67
	149.33	**123.56**	**75.98**
MAT credit receivable	**0.25**	**15.60**	**15.34**
Net deferred tax assets/(liabilities)	**60.41**	**49.49**	**(1.34)**

* In accordance with Ind AS-12 on accounting for taxes on income and deferred tax, the Company has not created deferred tax assets of Rs. 158.39 Million as on March 31, 2017 on unabsorbed depreciation and losses to the extent it is probable that future taxable profit will not be available against which it can be utilised.

10. Tax assets

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non current tax assets			
Advance income-tax (net of provision of Rs. 19.25 Million (March 31, 2016- Rs. 105.00 Million) (April 1, 2015- Rs. 105.00 Million))	171.13	158.56	59.02
	171.13	**158.56**	**59.02**
Current tax assets			
Advance income-tax	-	-	9.12
	-	**-**	**9.12**

11. Other assets

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current			
(a) Capital advances (Unsecured, considered good)	-	-	0.75
(b) Advances other than capital advances (Unsecured, considered good)			
(i) Balances with government authorities (other than income taxes)*	25.23	34.18	9.15
(ii) Deferred expense on security deposit given	1.87	2.44	4.15
	27.10	**36.62**	**14.05**
(c) Advances other than capital advances (Unsecured, considered doubtful)			
(i) Balances with government authorities (other than income taxes)	7.58	7.58	7.28
	7.58	**7.58**	**7.28**
Allowances for credit losses	(7.58)	(7.58)	(7.28)
	27.10	**36.62**	**14.05**
Current			
(a) Capital advances (Unsecured, considered good)	2.28	-	-
(b) Advances other than capital advances (Unsecured, considered good)			
(i) Prepaid expenses	22.47	28.03	14.91
(ii) Balances with government authorities (other than income taxes)	801.24	353.85	40.22
(iii) Loans/Imprest to employees	1.71	0.66	0.65
(iv) Deferred expense on security deposit given	1.97	1.70	1.70
(v) Other advances	10.19	55.99	25.96
	839.86	**440.23**	**83.44**
(c) Advances other than capital advances (Unsecured, considered doubtful)			
(i) Balances with government authorities (other than income taxes)	2.52	3.45	3.53
(ii) Other advances	1.21	1.38	0.71
	3.73	**4.83**	**4.24**
Allowances for credit losses	(3.73)	(4.83)	(4.24)
	839.86	**440.23**	**83.44**

* Balances with statutory/ government authorities represents payments made to various government authority under protest and disclosed net of provisions of Rs. 87.59 Million (March 31, 2016 Rs. 88.83 Million) (April 01, 2015 Rs. 27.56 Million).

12. Inventories

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Raw materials	48.94	41.46	44.40
Allowances for obsolete/slow moving stock	(2.93)	(1.82)	(0.48)
	46.01	**39.64**	**43.92**
Work-in-progress	**6.99**	**5.80**	**4.83**
Finished goods	29.23	30.53	29.01
Allowances for obsolete/slow moving stock	(0.10)	(0.19)	(0.11)
	29.13	**30.34**	**28.90**
Stock-in-trade	3,269.77	3,455.39	1,392.28
Allowances for obsolete/slow moving stock	(68.24)	(70.62)	(61.29)
	3,201.53	**3,384.77**	**1,330.99**
Stores and spares	2.14	2.19	2.40
Allowances for obsolete/slow moving stock	(0.13)	(0.13)	(0.14)
	2.01	**2.06**	**2.26**
	3,285.67	**3,462.61**	**1,410.90**

Included above, goods-in-transit:			
(i) Raw materials	18.99	12.17	11.47
(ii) Stock-in-trade	120.41	191.13	87.97
Total goods-in-transit	**139.40**	**203.30**	**99.44**

13. Trade receivables

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<u>Current</u>			
Trade receivables			
(a) Unsecured, considered good*	4,596.47	6,277.54	1,716.86
(b) Unsecured, considered doubtful	81.07	14.93	11.66
	4677.54	**6292.47**	**1728.52**
Allowance for credit loss	(81.07)	(14.93)	(11.66)
	4,596.47	**6,277.54**	**1,716.86**

* Includes Rs. 433.69 Million (March 31, 2016- Rs. 464.06 Million, April 1, 2015- Rs. 86.79 Million) secured against bank guarantees issued by customers, Rs. 2,756.05 Million (March 31, 2016- Rs. 3,832.16 Million, April 1, 2015- Rs. 1093.40 Million) secured against credit insurance and Rs. 29.94 Million (March 31, 2016- Rs. 3.53 Million, April 1, 2015- Rs. Nil) secured against letter of credit.

14. Cash and cash equivalents (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(i) Cash on hand	0.05	0.06	0.10
(ii) Balances with banks:			
(a) In current accounts	5.42	7.45	66.80
	5.47	**7.51**	**66.90**

15. Other bank balances (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) In earmarked accounts			
- On current accounts under lien	2.05	1.81	1.52
- On unpaid dividend account	0.13	0.21	0.34
	2.18	**2.02**	**1.86**

16. Equity share capital (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised share capital			
Equity shares of Rs. 10 each with voting rights	100.00	100.00	100.00
March 31, 2017 :- 10,000,000 Shares			
March 31, 2016 :- 10,000,000 Shares			
April 01, 2015 :- 10,000,000 Shares			
Issued, paid up and subscribed capital			
Equity shares of Rs. 10 each with voting rights	50.92	50.92	50.92
March 31, 2017 :- 5,091,607 Shares			
March 31, 2016 :- 5,091,607 Shares			
April 01, 2015 :- 5,091,607 Shares			
	50.92	**50.92**	**50.92**

16.1. Reconciliation of the number of shares outstanding at the beginning and at the end of the period.
(Rs. in Million)

	Number of Shares	Share Capital
Balance as at April 01, 2015	5.09	50.92
Add:- Issued/ conversion during the year	-	-
Balance as at March 31, 2016	5.09	50.92
Add:- Issued/ conversion during the year	-	-
Balance as at March 31, 2017	**5.09**	**50.92**

16.2. Voting and other rights

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders."

16.3. Details of shares held by the holding company, its subsidiaries and associates

Fully paid equity shares of Rs. 10 (No. of Shares in Million)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Brightstar Logistics Pte. Ltd (Holding Company)	2.59	2.59	2.59

16.4. Details of shares held by each shareholder holding more than 5% (In Million)

Fully paid equity shares of Rs. 10 each	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Brightstar Logistics Pte. Ltd	2.59	51.00%	2.59	51.00%	2.59	51.00%
Bharti (RM) Holdings Private Limited	0.63	12.36%	0.63	12.36%	0.63	12.36%
Bharti (SBM) Holdings Private Limited	1.01	19.78%	1.01	19.78%	1.01	19.78%
Bharti (RBM) Holdings Private Limited	0.63	12.36%	0.63	12.36%	0.63	12.36%

17. Other equity (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
General reserve	26.50	26.50	26.50
Capital reserve	2.50	2.50	2.50
Securities premium	5.27	5.27	5.27
Retained earnings	13.61	538.95	597.66
	47.88	**573.22**	**631.93**

17.1. General reserve (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period	26.50	26.50
Movement during the period	-	-
Balance at the end of the period	**26.50**	**26.50**

17.2. Capital reserve (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	2.50	2.50
Movement during the period	-	-
Balance at the end of the year	**2.50**	**2.50**

17.3. Securities premium (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	5.27	5.27
Movement during the period	-	-
Balance at the end of the year	**5.27**	**5.27**

17.4. Retained earnings (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year*	538.95	597.66
Loss attributable to owners of the Company	(520.31)	(57.59)
Other comprehensive loss	(5.03)	(1.12)
Balance at the end of the year	**13.61**	**538.95**

* Includes Rs. 349.96 Million on account of fair valuation of property, plant and equipment and investment in subsidiary made pursuant to Ind AS adoption.

Nature of reserves

17.a) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

17.b) Capital reserve

The Company recognises profit or loss on purchase, sale, issue or cancellation of Company's own equity instruments to capital reserve.

17.c) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

17.d) Retained earning

Retained earnings are the profits that the Company has earned till date, less any transfers to capital redemption reserve, dividends or other distributions paid to shareholders.

18. Provisions

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non current provisions			
(a) Provision for employee benefits			
Provision for gratuity (Refer Note 36)	28.64	16.19	12.50
Provision for compensated absences (Refer Note 36)	16.65	9.01	7.80
Provision for other long term employees benefits (Refer Note 36)	1.59	-	-
	46.88	**25.20**	**20.30**
(b) Other provisions			
Provision for warranties (Refer Note 18.1)	-	-	2.48
	-	**-**	**2.48**
	46.88	**25.20**	**22.78**
Current provisions			
(a) Provision for employee benefits			
Provision for gratuity (Refer Note 36)	2.58	1.15	-
Provision for compensated absences (Refer Note 36)	0.63	1.76	1.38
Provision for other long term employees benefits (Refer Note 36)	1.91	-	-
	5.12	**2.91**	**1.38**
(b) Other provisions			
Provision for warranties (Refer Note 18.1)	30.35	31.50	30.54
Provision for litigations (Refer Note 18.2)	14.02	23.83	25.24
Provision for income-tax (net of advance tax as on March 31, 2016- Rs. 20.51 Million, April 1, 2015- Rs. 20.51 Million)	-	16.56	23.56
	44.37	**71.89**	**79.34**
	49.49	**74.80**	**80.72**

18.1. Provision for warranties

The Company provides warranty on certain products dealt by it by giving the undertaking to repair/ replace items, which fails to perform satisfactorily during the warranty period. Provision made as at March 31, 2017 represents the amount of the expected cost of meeting such obligations of repair/ replacement. The details are as follows:

Reconciliation of balance at the beginning and at the end of the period (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period	31.50	33.02
Arising during the year	14.14	31.10
Utilized during the year	(12.86)	(30.23)
Unused amounts reversed	(2.43)	(2.39)
Balance at the end of the period	**30.35**	**31.50**

18.2. Provision for litigations*

The Company is contending various matters pertaining to excise duty, sales tax and entry tax and has considered provision for the matters where it is probable that an outflow of resources may be required to settle the obligation. The details are as follows:

Reconciliation of balance at the beginning and at the end of the period (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period	114.10	114.10
Arising during the year	4.46	-
Balance at the end of the period	**118.56**	**114.10**

*The movement of provision towards litigations disclosed under other non-current assets (Refer Note 11) and current provisions. Further, the Company has disclosed provisions net of advance Rs. 16.95 Million (March 31, 2016- Rs. 1.44 Million), (April 01, 2015 Rs. 61.30 Million).

19. Other liabilities (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current			
(a) Advance received from customer	106.51	101.72	24.20
(b) Statutory dues			
- taxes payable (other than income taxes)	132.86	115.09	35.06
(c) Investor Education & Protection Fund (will be credited from unpaid dividend bank account as and when due)	0.13	0.21	0.27
	239.50	**217.02**	**59.53**

20. Current borrowings (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured			
a) Cash credit from banks (Refer Note 20.1)	145.38	456.76	72.53
b) Working capital demand loan (Refer Note 20.1)	3,780.00	100.00	668.36
c) Buyer's credit (Refer Note 20.2)	65.53	371.98	-
	3,990.91	**928.74**	**740.89**

Note :

20.1. Cash credit and working capital demand loan

a) Cash credit and working capital demand loan from ANZ Banking Group Ltd is secured by hypothecation of current, fixed, movable and immovable assets of the Company. Further, the above borrowing from ANZ banking Group Ltd is secured against corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd.

b) Cash credit and working capital demand loan from Kotak Mahindra Bank is secured by hypothecation of all existing and future receivable/current assets/movable fixed assets of Company and further secured against corporate guarantee by Brightstar Corp.

c) Cash credit and working capital demand loan from HDFC Bank Ltd is secured by hypothecation of stock, book debts and entire fixed assets of Company and further secured against corporate guarantee by Brightstar Corp.

20.2. Buyer's credit

a) Buyer's credit from ANZ Banking Group Ltd which is secured by corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd.

20.3. Corporate guarantees

a) Since the corporate guarantees given by Brightstar Corp., Brightstar Logistics Pte Ltd. and Brightstar Logistics Pty Ltd. are integral to the original borrowings, fair value of financial guarantee is not accounted separately.

21. Trade payables (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Payables to micro and small enterprises (refer note 43)	9.07	3.41	-
Payables to others*	5,151.47	9,176.72	2,345.52
	5,160.54	**9,180.13**	**2,345.52**

* Above trade payables includes payable to one significant vendor amounting Rs. 1,033.48 Million (March 31, 2016- Rs. 1,600.64 Million, April 1, 2015- Rs. Nil) which will be paid to the vendor only after the Company will receive payment from customers to whom the Company have sold its product.

For related party balances, Refer Note 37.

22. Other financial liabilities (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current			
(a) Security deposits received	0.14	1.21	0.84
(b) Interest accrued but not due on borrowings	9.65	0.35	1.81
(c) Financial liability measured at fair value			
(i) Forward contracts	24.37	30.02	-
	34.16	**31.58**	**2.65**

23. Revenue from operations (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Revenue from sale of products		
- Finished goods (including excise duty)	790.03	748.29
- Traded goods	36,189.33	38,016.58
(b) Revenue from rendering of services	37.94	21.69
(c) Other operating revenue		
- Sale of scrap	0.51	0.57
	37,017.81	**38,787.13**

24. Other income (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest income		
(i) On bank deposits	1.25	3.04
(ii) On unwinding of discount on security deposits	2.05	1.83
(iii) Others	2.67	3.05
(b) Other non operating income		
(i) Profit on sale of property, plant and equipment (net)	-	0.05
(ii) Liabilities/provisions no longer required written back	4.44	1.85
(iii) Miscellaneous income	7.18	14.48
	17.59	**24.30**

25. Cost of material consumed (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Opening stock	41.46	44.40
Add: Purchases	349.63	524.60
	391.09	**569.00**
Less: Closing stock	48.94	41.46
Cost of material consumed	**342.15**	**527.54**

26. Purchases of stock-in-trade (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Purchase of goods	35,563.09	39,162.42
Purchase of services	17.88	11.66
	35,580.97	**39,174.08**

27. Changes in inventories of finished goods, work-in-progress and stock-in-trade (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Inventories at the end of the year:		
Finished goods	29.23	30.53
Work-in-progress	6.99	5.80
Stock-in-trade	3,269.77	3,455.39
	3,305.99	**3,491.72**
Inventories at the beginning of the year:		
Finished goods	30.53	29.01
Work-in-progress	5.80	4.83
Stock-in-trade	3,455.39	1,392.28
	3,491.72	**1,426.12**
Net decrease/(increase)	**185.73**	**(2,065.60)**

28. Employee benefit expense (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	456.41	415.90
Contribution to provident and other funds	31.05	25.68
Staff welfare expenses	15.13	8.45
Total	**502.59**	**450.03**

29. Finance costs (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Interest expenses for financial liabilities not classified as FVTPL		
- On current borrowings	238.54	190.58
	238.54	**190.58**

30. Depreciation and amortisation expense (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment (Refer Note 4)	26.06	26.07
Amortisation of intangible assets (Refer Note 5)	3.16	5.17
	29.22	**31.24**

31. Other expenses (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Advertisement and marketing expense	4.83	4.59
Amount/debtors written off	0.23	0.76
Bank charges	8.14	11.75
Charity and donation	0.20	0.09
Expenditure on corporate social responsibility*	1.09	0.46
Commission on sales	8.22	4.72
Communication expenses	11.89	12.43
Consumption of stores and spares	2.99	3.13
Electricity and water charges	2.95	3.30
Exchange rate difference(net)	66.21	81.68
Excise duty on account of decrease/(increase) in stock of finished goods	0.19	(0.87)
Freight and cartage	68.25	75.47
Insurance charges	28.43	29.67
Legal and professional expenses**	35.88	21.12
Loss on sale of property, plant and equipment (net)	0.14	-
Power and fuel	12.36	12.52
Printing and stationery	1.59	1.65
Allowances for doubtful advance	-	1.28
Allowances for doubtful debt	66.14	3.27
Allowances for obsolete/slow moving stock	-	10.74

	Year ended March 31, 2017	Year ended March 31, 2016
Recruitment expenses	39.84	4.74
Rates and taxes	6.94	0.54
Rent including lease rentals	27.11	27.06
Repair and maintenance:		
a) Building	0.19	0.32
b) Others	42.21	46.16
Sales promotion and schemes expenses	56.87	11.65
Security charges	3.91	3.78
Service charges	49.60	39.27
Travelling and conveyance	43.85	41.48
Warranty cost	11.71	28.71
Miscellaneous expenses	20.31	33.31
	622.27	**514.78**

***Details of expenditure on corporate social responsibility** (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Promoting quality education programs of Bharti Foundation for underprivileged children across the country	1.09	0.46
	1.09	**0.46**

****Payment to Auditor (as included in legal and professional expenses)** (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
As Auditor:		
Audit fee #	2.25	2.50
In other capacity:		
Other services (certification and others) #	0.05	-
Reimbursement of expenses #	0.08	0.34
	2.38	**2.84**

excluding taxes

32. Income taxes (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Income taxes recognised in Statement of Profit and Loss		
Current tax		
In respect of the current year	-	-
In respect of the previous years	(17.34)	(7.31)
	(17.34)	**(7.31)**
Deferred tax		
In respect of the current year	(23.60)	(49.98)
In respect of the previous years	15.34	-
	(8.26)	**(49.98)**
Total income tax expense recognised in the Statement of Profit and Loss	**(25.60)**	**(57.29)**

Reconciliation of tax expense with accounting profit for the year as follows: (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Loss before tax	**(545.91)**	**(114.88)**
Income tax @34.61%	(188.94)	(39.76)
Adjustments in respect of current income tax of previous years	(17.34)	(7.31)
Adjustments in respect of deferred tax of previous years	22.29	(5.98)
Adjustments in respect of difference in tax rates	-	(4.24)
Deferred tax asset not recognised	158.39	-
Net tax expense recognised in profit and loss	**(25.60)**	**(57.29)**

The tax rate used for the years 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 34.61% payable by corporate entities in India on taxable profits under the Indian tax law.

33. Loss per share (Rs.)

	Year ended March 31, 2017	Year ended March 31, 2016
Basic loss per share	(102.22)	(11.31)
Diluted loss per share	(102.22)	(11.31)

33.1. Basic loss per share (Rs. in Million)

The loss used in the calculation of basic loss per share are as follows:	Year ended March 31, 2017	Year ended March 31, 2016
Loss used in the calculation of basic loss per share from continuing operations	(520.31)	(57.59)

(No. in Million)

The weighted average number of equity shares used in the calculation of basic loss per share are as follows:	Year ended March 31, 2017	Year ended March 31, 2016
Weighted average number of equity shares used in the calculation of basic loss per share	5.09	5.09

33.2. Diluted loss per share (Rs. in Million)

The loss used in the calculation of diluted loss per share are as follows:	Year ended March 31, 2017	Year ended March 31, 2016
Loss used in the calculation of basic loss per share	(520.31)	(57.59)
Loss used in the calculation of diluted loss per share	(520.31)	(57.59)

(No. in Million)

The weighted average number of equity shares used in the calculation of diluted loss per share are as follows:	Year ended March 31, 2017	Year ended March 31, 2016
Weighted average number of equity shares used in the calculation of basic loss per share	5.09	5.09
Weighted average number of equity shares used in the calculation of diluted loss per share	5.09	5.09

There is no potential equity shares that are anti-dilutive and therefore not considered for the weighted average number of equity shares for the purpose of diluted loss per share.

34. Contingent liabilities:

(i) Contingent liabilities

The Company has given following guarantees on behalf of subsidiary: (Rs. in Million)

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Corporate Gurantee issued to GE Capital Services Pte Ltd on behalf of Company's wholly owned-subsidiary Brightstar Telecommunications Singapore Private Limited (Erstwhile Beetel Teletech Singapore Private Limited)	-	-	281.93

(ii) Claims against the Company not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote): (Rs. in Million)

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Indirect taxes	223.37	197.59	56.17
Income taxes	1.43	1.43	1.43
Other	5.13	4.53	22.73
Total	**229.93**	**203.55**	**80.33**

35. Commitments:

(i) Capital commitments (Rs. in Million)

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Estimated amount of contracts remaining to be executed on capital account and not provided for*	0.25	-	1.00
Total	**0.25**	**-**	**1.00**

* As of March 31, 2017, Net of advance Rs. 2.28 Million (March 31, 2016- Rs. Nil, April 01, 2015- Rs. 0.75 Million)

The Company has other commitments for the purchase orders which are issued after considering requirements per operating cycle for purchase of goods and services. The Company does not have any long term commitment or material non-cancellable contractual commitments/ contracts which might have a material impact on the financial statements.

(ii) Leases

The Company has taken certain office and warehouse space on lease. Rental expense towards such leases charged to Statement of Profit and Loss amounting to Rs. 27.11 Million (March 31, 2016 Rs. 27.06 Million).

Details of non-cancellable operating lease commitments are as under: (Rs. in Million)

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
Not later than one year	40.96	20.83	34.20
Later than one year but not later than five years	41.56	23.74	78.94
Later than five years	-	-	-
Total	**82.52**	**44.57**	**113.14**

36. Employee benefit plan

36.1. Defined contribution plan

The Company makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 20.71 Mn (March 31, 2016 Rs. 16.87 Mn) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

36.2. Defined benefit plans and other employee benefits

Gratuity scheme: The scheme is a defined benefit arrangement providing gratuity benefit expensed in terms of final monthly salary and service. Every employee gets a gratuity on departure at 15 days salary for each completed year of service. However, payment to the employees who have joined prior to April 1, 2008 is subject to a maximum limit of Rs 1,000,000. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

Long term employee benefits: Compensated absences include earned leaves and sick leaves. Compensated absences have been provided on accrual basis based on year end actuarial valuation.

Long term service award: The long term service award ('the program') is governed by Company's long term service policy. The present value of obligation is determined based on actuarial valuation using projected unit credit method (PUC). The program liability is the actuarial present value of the projected accrued benefits as of the beginning and end of the period for active members.

36.3. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow:

Salary risk (salary escalation)	Actual salary escalation will increase the plan's liability. Increase in salary escalation rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

36.4. The principal assumptions used for the purpose of the acturial valuations were as follows:

	Valuation as at March 31, 2017			Valuation as at March 31, 2016			Valuation as at April 01, 2015		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Discount rate(s)	7.10%	7.10%	7.10%	7.70%	7.70%	-	7.75%	7.75%	-
Expected rate(s) of salary escalation	8.00%	8.00%	-	8.00%	8.00%	-	8.00%	8.00%	-
Employee turnover	0%-40%	0%-40%	-	0%-37.5%	0%-37.5%	-	0%-37.5%	0%-37.5%	-

36.5. Amounts recognised in statement of profit and loss in respect of these defined benefits plans and other long term employee benefits are as follows: (Rs. in Million)

	March 31, 2017			March 31, 2016		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Service cost*						
Current service cost	6.97	4.87	3.50	6.08	3.04	-
Actuarial (gains)/losses	-	2.88	-	-	0.34	-
Net interest expense	1.33	0.83	-	0.99	0.71	-
Components of defined benefit costs recognised in profit or loss	**8.30**	**8.58**	**3.50**	**7.07**	**4.09**	**-**
Remeasurement on the net defined benefit liability :**						
Return on plan assets (excluding amount included in net interest expense)	0.35	-	-	(0.19)	-	-
Actuarial (gains)/losses	7.34	-	-	1.90	-	-
Components of defined benefit costs recognised in other comprehensive income	**7.69**	**-**	**-**	**1.71**	**-**	**-**
Total	**15.99**	**8.58**	**3.50**	**8.78**	**4.09**	**-**

* The current service cost and the net interest expense for the year are included in the "Employee Benefit Expense" line item in the Statement of Profit and Loss.

** The remeasurement of the net defined liability is included in Other Comprehensive Income.

36.6. The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans and other long term employee benefits is as follows: (Rs. in Million)

	March 31, 2017			March 31, 2016			April 01, 2015		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Present value of defined benefit obligation	58.45	17.28	3.50	44.97	10.77	-	37.29	9.18	-
Fair value of plan assets	(27.23)	-	-	(27.63)	-	-	(24.79)	-	-
Net liability arising from defined benefit obligation	**31.22**	**17.28**	**3.50**	**17.34**	**10.77**	**-**	**12.50**	**9.18**	**-**
Non current portion	28.64	16.65	1.59	16.19	9.01	-	12.50	7.80	-
Current portion	2.58	0.63	1.91	1.15	1.76	-	-	1.38	-

Movement in the present value of the defined benefit obligations and other long term employee benefits are as follows: (Rs. in Million)

	March 31, 2017			March 31, 2016		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Opening defined benefit obligations	**44.97**	**10.77**	**-**	**37.29**	**9.18**	**-**
Current service cost	6.97	4.87	3.50	6.08	3.04	-
Interest Cost	3.46	0.83	-	2.90	0.71	-
Remeasurement (gains)/ losses						-
-Actuarial (gains)/losses	7.34	2.88	-	1.90	0.34	-
Benefits paid	(4.29)	(2.07)	-	(3.20)	(2.50)	-
Closing defined benefit obligation	**58.45**	**17.28**	**3.50**	**44.97**	**10.77**	**-**

Movement in the fair value of the plan assets are as follows: (Rs. in Million)

	March 31, 2017			March 31, 2016		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Opening fair value of plan assets	**27.63**	**-**	**-**	**24.79**	**-**	**-**
Interest income	2.13	-	-	1.91	-	-
Remeasurement gains/(losses)						
-Actual return on plan assets in excess of the expected return	(0.35)	-	-	0.19	-	-
Contributions by employer (including benefit payments recoverable)	0.19	-	-	2.33	-	-
Benefits paid	(2.37)	-	-	(1.59)	-	-
Closing fair value of plan assets	**27.23**	**-**	**-**	**27.63**	**-**	**-**

36.7. Maturity profile of defined benefit obligation of gratuity: (Rs. in Million)

	2017	2016
Within 1 year	4.83	5.76
2 - 5 year	21.13	20.60
6 - 10 year	26.61	21.93
More than 10 years	61.19	27.83

The weighted average duration of the defined benefit obligation is 8 years.

36.8. Plan assets

The fair value of Company's plan asset as of March 31, 2017, March 31, 2016 and April 01, 2015 by category are as follows:

Asset category:	2017	2016	2015
Investment with Insurer	100%	100%	100%

36.9. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

36.10. Senstivity analysis

The sensitivity of the defined benefit obligation of gratuity to changes in the weighted principal assumptions is:

(Rs. in Million)

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase	Decrease
Discount rate	2017	(- / + 1%)	(4.41)	4.99
	2016	(- / + 1%)	(2.40)	2.67
Salary growth rate	2017	(- / + 1%)	4.67	(4.28)
	2016	(- / + 1%)	2.40	(2.21)
Attrition rate	2017	(- / + 50%)	(0.36)	0.57
	2016	(- / + 50%)	0.00	0.05
Mortality rate	2017	(- / + 10%)	(0.01)	0.01
	2016	(- / + 10%)	0.00	0.00

37. Related party transactions

S.No.	Nature of relationship	Name of the party
a.	Ultimate holding company	Brightstar Corp
b.	Holding company	Brightstar Logistics Pte Ltd
c.	Enterprise having substantial interest in the Company	Bharti (SBM) Holdings Private Limited Bharti (RBM) Holdings Private Limited Bharti (RM) Holdings Private Limited
d.	Subsidiary company (Wholly owned)	Brightstar Telecommunications Singapore Private Limited (Erstwhile Beetel Teletech Singapore Private Limited)
e.	Fellow subsidiaries and other companies which do not exercise control or significant influence over the Company (with whom the Company has transactions)	Brightstar NZ Limited Brightstar Supply Chain Services Sdn Bhd Brightstar Telecom Services Pvt. Ltd. Brightstar Logistics Pty Ltd Brightstar FZE
f.	Key management personnel of the Company	**Whole Time Directors:** Mr. Alok Shankar-CEO till July 5, 2016 and Whole Time Director till July 7, 2016 Mr. Deval Parikh-CEO with effect from July 6, 2016 and Whole Time Director since September 20, 2016 **Other Key Managerial Personnel:** Geeta Mathur (Independent Director) Rajesh Madan (Independent Director) Paul Andrew Ringrose (Director) Dharshan Nanayakkara (Director) Harjeet Singh Kohli (Director) Puneet Khanna (CFO till February 28, 2017) Rohit Gupta (CFO wef March 15, 2017) Neeru Bhalla (Company Secretary)

37.1. Details of transaction between the Company and its related parties are disclosed below:

(Rs. in Million)

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Key Managerial Personnel*
Nature of transactions with related parties						
Purchase of goods	31-Mar-17	-	-	-	-	-
	31-Mar-16	266.96	-	-	-	-
Purchase of property and other assets	31-Mar-17	-	-	-	-	-
	31-Mar-16	-	-	-	2.96	-
Expenses incurred by related party on behalf of Company	31-Mar-17	1.12	0.42	-	12.46	-
	31-Mar-16	-	6.44	-	0.72	-
Expenses incurred by Company on behalf of related party	31-Mar-17	4.28	-	10.42	-	-
	31-Mar-16	-	-	6.41	-	-
Management contract fees expenses	31-Mar-17	-	-	-	5.33	-
	31-Mar-16	-	-	-	22.48	-
Management contract fees income	31-Mar-17	-	-	7.24	-	-
	31-Mar-16	-	-	4.56	-	-
Short-term employee benefits	31-Mar-17	-	-	-	-	50.44
	31-Mar-16	-	-	-	-	43.69
Fee for attending board committee meetings	31-Mar-17	-	-	-	-	1.56
	31-Mar-16	-	-	-	-	1.74

*The remuneration to the key managerial personnel ('KMP') does not include the provisions made for gratuity, compensated absences as they are determined on an actuarial basis for the Company as a whole.

37.2. Balance outstanding at the end of the year

Nature of balances with related parties	Balance as on	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Key Managerial Personnel
Trade payables	31-Mar-17	27.12	0.41	-	0.03	-
	31-Mar-16	267.92	8.57	-	19.73	-
	01-Apr-15	-	3.64		5.50	-
Other receivables*	31-Mar-17	-	-	-	-	-
	31-Mar-16	-	-	-	-	-
	01-Apr-15	0.46	-	-	-	-
Employee related liabilities	31-Mar-17	-	-	-	-	5.52
	31-Mar-16	-	-	-	-	8.53
	01-Apr-15	-	-	-	-	5.02

* Enterprises owned or significantly influenced by key management personnel or their relatives includes Bharti Airtel Limited and Bharti Reality Holding Limited which wererelated party upto September 30, 2014 and hence not included in above details.

Notes

1. For corporate guarantees given by related party on behalf of the Company, Refer Note 20.
2. For corporate guarantees given by the Company on behalf of its subsidiary, Refer Note 34.

38. Fair value measurements

38.1. The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

(Rs. in Million)

	Measured at fair value through P&L	Measured at amortised cost	Carrying value
Financial assets:			
Cash and cash equivalents	-	5.47	5.47
Other banks balances	-	2.18	2.18
Trade receivables	-	4,596.47	4,596.47
Loans	-	24.63	24.63
Other financial assets	-	111.41	111.41
Total	**-**	**4,740.16**	**4,740.16**
Financial liabilities:			
Trade payables	-	5,160.54	5,160.54
Borrowings	-	3,990.91	3,990.91
Forward contracts	24.37	-	24.37
Other financial liabilities	-	9.79	9.79
Total	**24.37**	**9,161.24**	**9,185.61**

38.2. The carrying value of financial instruments by categories as of March 31, 2016 is as follows:

(Rs. in Million)

	Measured at fair value through P&L	Measured at amortised cost	Carryingvalue
Financial assets:			
Cash and cash equivalents	-	7.51	7.51
Other banks balances	-	2.02	2.02
Trade receivables	-	6,277.54	6,277.54
Loans	-	19.97	19.97
Other financial assets	-	108.46	108.46
Total	**-**	**6,415.50**	**6,415.50**
Financial liabilities:			
Trade payables	-	9,180.13	9,180.13
Borrowings	-	928.74	928.74
Forward contracts	30.02	-	30.02
Other financial liabilities	-	1.56	1.56
Total	**30.02**	**10,110.43**	**10,140.45**

38.3. The carrying value of financial instruments by categories as of April 01, 2015 is as follows:

(Rs. in Million)

	Measured at fair value through P&L	Measured at amortised cost	Carrying value
Financial assets:			
Cash and cash equivalents	-	66.90	66.90
Other banks balances	-	1.86	1.86
Trade receivables	-	1,716.86	1,716.86
Loans	-	18.53	18.53
Forward contracts	0.16	-	0.16
Other financial assets	-	17.46	17.46
Total	**0.16**	**1,821.61**	**1,821.77**
Financial liabilities:			
Trade payables	-	2,345.52	2,345.52
Borrowings	-	740.89	740.89
Financial guarantee obligation	-	-	-
Other financial liabilities	-	2.65	2.65
Total	**-**	**3,089.06**	**3,089.06**

* The carrying value of above financial assets and financial liabilities approximates its fair value.

38.4. Fair Value hierarchy:

Ind AS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Ind AS are described below:

Level 1 — inputs are based upon quoted prices (unadjusted) in active markets for identical assets or liabilities which are accessible as of the measurement date.

Level 2 — inputs are based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and model derived valuations for the asset or liability that are derived principally from or corroborated by market data for which the primary inputs are observable, including forward interest rates, yield curves, credit risk and exchange rates.

Level 3 — inputs for the valuations are unobservable and are based on management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques such as option pricing models and discounted cash flow models.

The following table summarizes the financial assets and financial liabilities measured at fair value on a recurring basis:

(Rs. in Million)

	Fair value hierarchy		
	Level 1	**Level 2**	**Level 3**
At March 31, 2017			
Financial assets	-	-	-
Financial liabilities	-	24.37	-
At March 31, 2016			
Financial assets	-	-	-
Financial liabilities	-	30.02	-
At April 01, 2015			
Financial assets	-	0.16	-
Financial liabilities	-	-	-

The fair value of the Company's financial assets and financial liabilities approximates carrying amount because of the short-term nature of these instruments.

The Company classifies forward contracts in Level 2 as quoted prices can be corroborated based on observable market transactions of spot currency rate, forward currency prices.

39. Financial instruments

39.1. Capital management

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out business. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of March 31, 2017, March 31, 2016 and April 01, 2015 is as follows:

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt	3,990.91	928.74	740.89
Cash & cash balances	7.65	9.53	68.76
Net debt	**3,983.26**	**919.21**	**672.13**
Total equity	**98.80**	**624.14**	**682.85**
Gearing ratio (%)	4032%	147%	98%

Refer note 3.1 for going concern

39.2. Financial risk management framework

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has a risk management policy which covers the foreign exchanges risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The following is the summary of the main risks:

39.2.1. Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract,leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by Company's established policy, procedures and control relating to customer credit risk management.

Financial assets that potentially exposed the Company to credit risk are listed below: (Rs. in Million)

	As at		
	March 31, 2017	**March 31, 2016**	**April 01, 2015**
Loan	24.63	19.97	18.53
Trade receivables*	4,596.47	6,277.54	1,716.86
Other financial assets	111.41	108.46	17.62
Total	**4,732.51**	**6,405.97**	**1,753.01**

* Includes secured trade receivables amounting Rs. 3,219.68 Million as at March 31, 2017 (March 31, 2016- Rs. 4,299.75 Million) (April 1, 2015- Rs. 1,180.19 Million). Refer Note 13.

39.2.2. Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at:

(Rs. in Million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Less than 1 year	1-5 years	Less than 1 year	1-5 years	Less than 1 year	1-5 years
Financial Liabilities						
Trade payables	5,160.54	-	9,180.13	-	2,345.52	-
Borrowings	3,990.91	-	928.74	-	740.89	-
Other financial liabilities	9.79	-	1.56	-	2.65	-
Forward contracts	24.37	-	30.02	-	-	-
Total	**9,185.61**	**-**	**10,140.45**	**-**	**3,089.06**	**-**

39.2.3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk) will affect the Company's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

39.2.3.1. Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The carrying amounts of the Company’s foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows. (Rs. in Million)

Particulars	Currency	March 31, 2017	March 31, 2016	April 01, 2015
Trade receivables	USD	0.03	0.04	0.95
Trade payables	USD	17.41	27.36	14.1
	EUR	0.34	0.12	-
	AUD	-	0.36	0.07
Borrowings	USD	1.01	5.61	-

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

(Rs. in Million)

Particulars	Currency	March 31, 2017	March 31, 2016	April 01, 2015
Trade receivables	USD	0.03	0.04	0.95
Trade payables*	USD	6.44	7.44	6.89
	EUR	0.11	0.02	-
	AUD	-	-	0.07

* Trade Payable of USD 4 Million (March 31, 2016- USD 5.04 Million, April 01, 2015- USD 4.21 Million) are not hedged through derivative contracts as exhange risk is beared by customer on such balances.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and AUD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. (Rs. in Million)

Particulars	Currency	Change in rate	Effect on profit before tax
For the year ended March 31, 2017	USD	+5%	(7.75)
	USD	-5%	7.75
	EUR	+5%	(0.79)
	EUR	-5%	0.79
For the year ended March 31, 2016	USD	+5%	(7.98)
	USD	-5%	7.98
	EUR	+5%	(0.08)
	EUR	-5%	0.08
	AUD	+5%	0.36
	AUD	-5%	(0.36)

*Derivative financial instruments**

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding forward contracts: (Rs. in Million)

	As at March 31, 2017			**As at March 31, 2016**			**As at April 01, 2015**		
Currency to Buy	**Notional Coverage (INR)**	**Outstanding Amount (Foreign Currency)**	**MTM (INR)**	**Notional Coverage (INR)**	**Outstanding Amount (Foreign Currency)**	**MTM (INR)**	**Notional Coverage (INR)**	**Outstanding Amount (Foreign Currency)**	**MTM (INR)**
USD	805.66	11.98	(24.34)	1,736.21	25.52	(30.80)	455.14	7.21	0.16
AUD	-	-	-	25.52	0.50	0.78	-	-	-
EUR	7.77	0.11	(0.03)	7.30	0.10	(0.01)	-	-	-
	813.43	**12.09**	**(24.37)**	**1,769.03**	**26.12**	**(30.03)**	**455.14**	**7.21**	**0.16**

*The outstanding forward contracts are having maturity profile of less than six months.

39.2.3.2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments. The Company's borrowings and investments are primarily short-term, which do not expose it to significant interest rate risk.

40. First time adoption of Ind AS

As stated in Note 2, the financial statements for the year ended March 31, 2017 is the first financial statements prepared in accordance with Ind AS.

The adoption is carried out in accordance with Ind AS 101 using April 01, 2015 as the transition date. The transition is carried out from Indian GAAP, which is considered as the previous GAAP. All applicable Ind AS have been applied consistently and retrospectively, wherever, required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and previous GAAP as of the transition date are recognized directly in other equity (retained earnings) at the date of transition to Ind AS.

This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

40.1. Optional exemptions and certain exceptions availed on first time adoption of Ind-AS 101

Ind AS 101 allows first-time adopters certain exemptions under Ind AS. The Company has applied the following exemptions:

(a) Property, plant and equipment

The Company has elected to measure all of its property, plant and equipment at fair value as on date of transition to Ind AS and has used that fair value as the deemed cost of property, plant and equipment as at the date of transition.

(b) Intangible assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and has used it as its deemed cost as at the date of transition.

(c) Investment in subsidiary

The Company has elected to measure its investment in subsidiary at fair value as on the date of transition to Ind AS and has used that fair value as deemed cost of investment in subsidiary as at the date of transition.

40.2. Estimates

The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

40.3. Effect of Ind AS adoption on the Balance sheet as at March 31, 2016 and April 01, 2015:-

(Rs. in Million)

Particulars	Notes	As at March 31, 2016			As at April 01, 2015		
		Regrouped IGAAP Figures	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Regrouped IGAAP Figures	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
ASSETS							
Non-current assets							
(a) Property, plant and equipment	(a)	73.38	76.47	149.85	86.47	81.41	167.88
(b) Capital work-in-progress		0.72	-	0.72	2.63	-	2.63
(c) Intangible assets		7.17	-	7.17	6.61	-	6.61
(d) Financial assets							
(i) Investment in subsidiary	(b)	-	360.86	360.86	-	360.86	360.86
(ii) Loans	(c)	25.35	(5.38)	19.97	25.74	(7.21)	18.53
(iii) Other financial assets		4.05	-	4.05	8.96	-	8.96

Particulars	Notes	As at March 31, 2016			As at April 01, 2015		
		Regrouped IGAAP Figures	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Regrouped IGAAP Figures	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
(e) Deferred tax assets (net)	(a), (b), (i) & (k)	128.25	(78.76)	49.49	-	-	-
(f) Non-current tax assets (net)		158.56	-	158.56	59.02	-	59.02
(g) Other non-current assets	(c) & (i)	49.78	(13.16)	36.62	25.24	(11.19)	14.05
Total non-current assets		**447.26**	**340.03**	**787.29**	**214.67**	**423.87**	**638.54**
Current assets							
(a) Inventories		3,462.61	-	3,462.61	1,410.90	-	1,410.90
(b) Financial assets							
(i) Trade receivables	(j)	6,277.54	-	6,277.54	1,716.86	-	1,716.86
(ii) Cash and cash equivalents		7.51	-	7.51	66.90	-	66.90
(iii) Other bank balances		2.02	-	2.02	1.86	-	1.86
(iv) Other financial assets	(f)	104.41	-	104.41	9.44	(0.78)	8.66
(c) Current tax assets (net)		-	-	-	9.12	-	9.12
(d) Other current assets	(c)	438.53	1.70	440.23	81.74	1.70	83.44
Total current assets		**10,292.62**	**1.70**	**10,294.32**	**3,296.82**	**0.92**	**3,297.74**
TOTAL ASSETS		**10,739.88**	**341.73**	**11,081.61**	**3,511.49**	**424.79**	**3,936.28**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		50.92	-	50.92	50.92	-	50.92
(b) Other equity	(m)	221.58	351.64	573.22	274.78	357.15	631.93
Total equity		**272.50**	**351.64**	**624.14**	**325.70**	**357.15**	**682.85**
Liabilities							
Non-current Liabilities							
(a) Provisions		25.20	-	25.20	22.78	-	22.78
(b) Deferred tax liabilities (net)	(a), (b), (i) & (k)	-	-	-	(79.08)	80.42	1.34
(c) Other non current liabilities	(d)	7.63	(7.63)	-	11.16	(11.16)	-
Total non-current liabilities		**32.83**	**(7.63)**	**25.20**	**(45.14)**	**69.26**	**24.12**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings		928.74	-	928.74	740.89	-	740.89
(ii) Trade payables		9,180.13	-	9,180.13	2,345.52	-	2,345.52
(iii) Other financial liabilities	(f)	29.04	2.54	31.58	2.65	-	2.65
(b) Provisions		74.80	-	74.80	80.72	-	80.72
(c) Other current liabilities	(d)	221.84	(4.82)	217.02	61.15	(1.62)	59.53
Total current liabilities		**10,434.55**	**(2.28)**	**10,432.27**	**3,230.93**	**(1.62)**	**3,229.31**
Total liabilities		**10,467.38**	**(9.91)**	**10,457.47**	**3,185.79**	**67.64**	**3,253.43**
TOTAL EQUITY AND LIABILITIES		**10,739.88**	**341.73**	**11,081.61**	**3,511.49**	**424.79**	**3,936.28**

40.4. Reconciliation of other equity as at March 31, 2016 and April 01, 2015: (Rs. in Million)

Particulars	Notes	As at March 31, 2016	As at April 01, 2015
As reported under previous GAAP		**221.58**	**274.78**
Recognition of finance income under Ind AS on security deposits given and amortization of prepaid asset	(c)	(1.24)	(1.36)
Reversal of lease equalization reserve	(d)	12.45	12.78
Recognization of investment in subsidiary at fair value (net of deferred tax liability)	(b)	288.69	288.69
Reversal of amortisation of deferred premium on forward contracts and recognisation of forward contracts at fair value	(f)	(2.54)	(0.78)
Recognisation of property, plant and equipment at fair value (net of deferred tax liability)	(a)	57.28	61.27
Deferred tax impact on Ind AS entries adjusted through Statement of Profit and Loss	(k)	(3.59)	(3.45)
Deferred tax impact on Ind AS entries adjusted through other comprehensive income	(e)	0.59	-
Total adjustments to equity		**351.64**	**357.15**
Equity under Ind AS		**573.22**	**631.93**

40.5. Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended March 31, 2016:

(Rs. in Million)

	Particular	Notes	Year ended March 31, 2016		
			Regrouped IGAAP Figures	**Effect of Transition to Ind AS**	**As per Statement of Profit and Loss**
I.	Revenue from operations	(g) & (h)	38,735.47	51.66	38,787.13
II.	Other income	(c)	22.47	1.83	24.30
III.	**Total income (I+II)**		**38,757.94**	**53.49**	**38,811.43**
IV.	**Expenses**				
	(a) Cost of material consumed		527.54	-	527.54
	(b) Purchases of inventories		39,174.08	-	39,174.08
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(2,065.60)	-	(2,065.60)
	(d) Excise duty on sale of goods	(g)	-	103.66	103.66
	(e) Employee benefit expense	(e)	451.74	(1.71)	450.03
	(f) Finance costs		190.58	-	190.58
	(g) Depreciation and amortisation expense	(a)	26.30	4.94	31.24
	(h) Other expenses	(c), (d), (f) & (h)	562.98	(48.20)	514.78
IV.	**Total expenses**		**38,867.62**	**58.69**	**38,926.31**

V. Loss before tax (III-IV)		**(109.68)**	**(5.20)**	**(114.88)**
VI. Tax expense/(credit)				
(a) Current tax		(7.31)	-	(7.31)
(b) Deferred tax	(k)	(49.17)	(0.81)	(49.98)
		(56.48)	**(0.81)**	**(57.29)**
VII. Loss for the year (V-VI)		**(53.20)**	**(4.39)**	**(57.59)**
VIII. Other comprehensive income				
Items that will not be reclassified to profit and loss				
(i) Remeasurements of the defined benefit plans	(e)	-	(1.71)	(1.71)
(ii) Income tax effect		-	0.59	0.59
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**-**	**(1.12)**	**(1.12)**
IX. Total comprehensive loss for the year (VII+VIII)		**(53.20)**	**(5.51)**	**(58.71)**

40.6. Effect of Ind AS adoption on the Statement of Cash Flow for the year ended March 31, 2016:

(Rs. in Million)

	Year ended March 31, 2016		
Particulars	**Previous GAAP**	**Effect of Transition to Ind AS**	**As per Ind AS Balance Sheet**
Net cash flows used in operating activities	(53.08)	-	(53.08)
Net cash flows used in investing activities	(2.06)	-	(2.06)
Net cash flows from financing activities	(4.25)	-	(4.25)
Net increase/(decrease) in cash and cash equivalents	**(59.39)**	-	**(59.39)**
Cash and cash equivalents at the beginning of the year	66.90	-	66.90
Cash and cash equivalents at the end of the year	**7.51**	-	**7.51**

40.7. Notes to reconciliations between previous GAAP and Ind AS

(a) Property, Plant and Equipment

Under previous GAAP, property, plant and equipment (PPE) are recorded at cost less accumulated depreciation. As per Ind AS 101 - First time adoption of Indian Accounting Standards, Company has opted for fair valuation of all of its property, plant and equipment (PPE) as deemed cost on the date of transition. The effect of this change results in increase in PPE by Rs. 76.47 Million as at March 31, 2016 (April 1, 2015- Rs. 81.41 Million) with a corresponding increase in other equity by Rs. 57.28 Million, net of deferred tax liability of Rs. 19.19 Million as at March 31, 2016 (April 1, 2015- Rs. 61.27 Million, net of deferred tax liability of Rs. 20.14 Million). There has been increase in depreciation expense by Rs. 4.94 Million and decrease in deferred tax expense by Rs. 0.95 Million for the year ended March 31, 2016.

(b) Investment in Subsidiary

Under previous GAAP, Investment in subsidiary is recorded at cost ie. USD 1. Under Ind AS, Investments are recorded at fair value determined as per Ind AS 109 as on the date of transition resulting in increase in value of investment by Rs. 360.86 Million as at March 31, 2016 (April 1, 2015- Rs. 360.86 Million) and other equity by Rs. 288.69 Million, net of deferred tax liability of Rs. 72.17 Million as on March 31, 2016 (April 1, 2015- Rs. 288.69 Million, net of deferred tax liability of Rs. 72.17 Million).

(c) Security Deposits

Under previous GAAP, interest free security deposits are carried at transaction value. Under Ind AS, these are carried at amortised cost. The effect of this change is decrease in loans by Rs. 5.38 Million as at March 31, 2016 (April 1, 2015- Rs. 7.21 Million) and increase in other non current assets by Rs. 2.44 Million as at March 31, 2016 (April 1, 2015- Rs. 4.15 Million) and increase in other current assets by Rs. 1.70 Million as at March 31, 2016 (April 1, 2015- Rs. 1.70 Million) and decrease in other equity by Rs 1.24 Million as at March 31, 2016 (April 1, 2015- Rs. 1.36 Million). There has been increase in other income by Rs. 1.83 Million and rent expenses by Rs. 1.71 Million for the year ended March 31, 2016. Further, there is an increase in deferred tax asset by Rs. 0.43 Million as at March 31, 2016 (April 1, 2015- Rs. 0.44 Million) with corresponding increase in deferred tax expense by Rs. 0.01 Million for the year ended March 31, 2016.

(d) Lease Equalisation Reserve

Under previous GAAP, operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term. Lease equalisation reserve ('LER') is to be amortised over the period of lease. Under Ind AS, the Company has reversed the LER to the extent the Company ascertained that the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. This results in decrease in other non current liabilities by Rs. 7.63 Million as on March 31, 2016 (April 1, 2015- Rs. 11.16 Million) and decrease in other current liabilities by Rs. 4.82 Million as on March 31, 2016 (April 1, 2015- Rs. 1.62 Million) with corresponding increase in other equity by Rs. 12.45 Million as on March 31, 2016 (April 1, 2015- Rs. 12.78 Million). There has been increase in rent expenses by Rs. 0.33 Million for the year ended March 31, 2016. Further, there is a decrease in deferred tax asset by Rs. 4.31 Million as at March 31, 2016 (April 1, 2015- Rs. 4.15 Million) with corresponding increase in deferred tax expense by Rs. 0.16 Million for the year ended March 31, 2016.

(e) Defined Benefit Obligation

Under previous GAAP, actuarial gains and losses were recognised in Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income. This results in decrease in gratuity expenses by Rs. 1.71 Million for the year ended March 31, 2016 and decrease in other comprehensive income by Rs. 1.12 Million (net of deferred tax of Rs. 0.59 Million) for the year ended March 31, 2016. There is no impact on deferred tax asset as at March 31, 2016.

(f) Forward Contracts

Under previous GAAP, the premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year. As per the ICAI Announcement, accounting for derivative contracts, other than those covered under Accounting Standard 11 are marked to market, and the net loss is charged to the Statement of Profit and Loss. Net gains are ignored. Under Ind AS, entire mark to market gain/loss on fair valuation of derivative instrument is recognised in Statement of Profit and Loss. The effect of change is increase in other financial liabilities by Rs. 2.54 Million as at March 31, 2016 (April 1, 2015- decrease in other current financial assets by Rs. 0.78 Million) with corresponding decrease in other equity by Rs. 2.54 Million (April 1, 2015- Rs. 0.78

Million). There is an increase in exchange losses by 1.76 Million for the year ended March 31, 2016. There is an increase in deferred tax asset by Rs. 0.88 Million as at March 31, 2016 (April 1, 2015- Rs. 0.26 Million) with corresponding decrease in deferred tax expense by Rs. 0.62 Million for the year ended March 31, 2016.

(g) Excise Duty

Under previous GAAP, revenue from sale of products is presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the standalone Statement of Profit and Loss. The effect of this is increase in revenue from operations by Rs. 103.66 Million for the year ended March 31, 2016 but there is no impact on profit or loss for the year ended March 31, 2016.

(h) Revenue

Under previous GAAP, rebates and discounts on sale of goods are disclosed as other expenses. Under Ind AS, rebates and discounts are reduced from revenue from operations. The net effect of this is decrease in revenue from operations by Rs. 52 Million and decrease in other expenses by Rs. 52 Million for the year ended March 31, 2016. This change does not effect the net profit for the year ended March 31, 2016.

(i) Minimum Alternative Tax

Under previous GAAP, MAT credit entitlement is shown as long term loans and advances. Under Ind AS, MAT credit entitlement is recorded and classified as deferred tax assets. The effect of this change is increase in deferred tax asset by Rs. 15.60 Million (April 1, 2015- Rs. 15.34 Million) and decrease in other non current assets by Rs. 15.60 Million (April 1, 2015- Rs. 15.34 Million).

(j) Trade Receivables

Under previous GAAP, the provision for doubtful trade receivables is made as per the policy of the Company which is based on incurred loss model whereas under Ind AS, impairment allowance has been determined based on expected credit loss model (ECL). The Company has done analysis of provision for doubtful debts as per ECL model and evaluated that there is no significant impact and hence taken no adjustment.

(k) Deferred Tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings or as a separate component in equity. As a result, deferred tax asset is reduced by Rs. 3.59 Million as on March 31, 2016 (April 1, 2015- Rs. 3.45 Million) on account of adjustments other than fair valuation. Further there is a total decrease in deferred tax expense by Rs. 1.40 Million for the year ended March 31, 2016 out of which Rs. 0.81 Million is recognized in statement of profit and loss and Rs. 0.59 Million is recognized in other comprehensive income.

(l) Other Comprehensive Income

Under previous GAAP, there is no concept of other comprehensive income. Under Ind AS, specified items of income, expenses, gains or losses are required to be presented in other comprehensive income.

(m) Retained Earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to above Ind AS transition adjustments.

41. SEGMENT INFORMATION

41.1. Segment Accounting Policies:

a. Product from which reportable segment derive their revenues.

Based on the nature and class of product and services, their customers and assessment of differential risks and returns and financial reporting results reviewed by chief operating decision maker, the Company has identified the following business segments which comprised:

Mobile distribution:	Distribution of smart phones & accessories
IT products:	Distribution of landline phones, modems, storage devices, information technology peripherals, network equipment, board room solutions, DTH devices, display devices, voice and data products."

b. Geographical segments

In terms of geographical segment, the Company's sales outside India are not material.

c. Segment accounting policies

Segment accounting policies: In addition to the significant accounting policies applicable to the business segment as set out in note 1, the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of cash, debtors, inventories and Property, Plant and Equipment including capital work in progress, net of allowances and provisions, which are reported as direct offset in the Balance Sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

ii Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii Segment results :

Segment results represents the profit before tax earned by each segment without allocation of unallocable central administration costs, other income as well as finance costs. Operating profit amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

41.2. For the year ended March 31, 2017

(Rs. in Million)

Reportable Segments	IT Products	Mobile Distribution	Unallocated	Total
Revenue				
External sales	11,228.83	25,788.98	-	37,017.81
Other income	-	-	17.59	17.59
Total revenue	**11,228.83**	**25,788.98**	**17.59**	**37,035.40**
Result				
Profit/(loss) before interest and tax	288.23	(600.24)	4.64	(307.37)
Interest expense	-	-	238.54	238.54
Profit/(loss) before tax	**288.23**	**(600.24)**	**(233.90)**	**(545.91)**
Tax expense	-	-	(25.60)	(25.60)
Profit/(loss) after tax	**288.23**	**(600.24)**	**(208.30)**	**(520.31)**
Other information				
Segment assets	2,444.39	6,498.12	677.77	**9,620.28**
Segment liabilites	1,821.95	3,689.47	4,010.06	**9,521.48**
Capital expenditure	0.07	-	7.81	**7.88**
Depreciation and amortisation	16.28	-	12.94	**29.22**
Other non-cash expenditure	3.30	63.07	-	**66.37**

41.3. For the year ended March 31, 2016 (Rs. in Million)

Reportable Segments	IT Products	Mobile Distribution	Unallocated	Total
Revenue				
External sales	10,859.62	27,927.51	-	38,787.13
Other income	11.55	2.92	9.83	24.30
Total revenue	**10,871.17**	**27,930.43**	**9.83**	**38,811.43**
Result				
Profit/(loss) before interest and tax	343.93	(264.01)	(4.22)	75.70
Interest expense	-	-	190.58	190.58
Profit/(loss) before tax	**343.93**	**(264.01)**	**(194.80)**	**(114.88)**
Tax expense	-	-	(57.29)	(57.29)
Profit/(loss) after tax	**343.93**	**(264.01)**	**(137.51)**	**(57.59)**
Other information				
Segment assets	3,134.54	7,702.27	244.80	**11,081.61**
Segment liabilites	2,102.63	7,366.84	988.00	**10,457.47**
Capital expenditure	-	-	14.00	**14.00**
Depreciation and amortisation	17.20	-	14.04	**31.24**
Other non-cash expenditure	(8.40)	34.09	-	**25.69**

42. Details of due of income-tax, sales tax, value added tax and service tax which have not been deposited as on March 31, 2017 on account of disputes are given below: (Rs. in Million)

Name of the statue	Nature of dues	Forum where the dispute is pending	Period to which amount pertains	Amount involved	Amount not deposited
Finance Act, 1944	Service Tax	Central, Excise and Service Tax Appellate Tribunal	2005-2006 to 2007-2008	1.97	1.03
Sales Tax Laws	Sales Tax	Appellate Authority	1995-96 to 1997-98, 2005-06 & 2007-08 to 2015-16	368.11	352.45
Sales Tax Laws	Sales Tax	Sales Tax Tribunal	1991-98, 2007-2008 & 2008-09	144.97	62.91
Sales Tax Laws	Sales Tax	High Court	2000-01 & 2006-07	14.75	14.75
Customs Act, 1962	Customs Duty	Central, Excise and Service Tax Appellate Tribunal	2011-12	11.85	11.85
Excise Act, 1944	Excise Duty	Central, Excise and Service Tax Appellate Tribunal	2000-2001	1.05	1.05
Income Tax Act, 1961	Income Tax	Assessing Officer	2006-07 and 2007-08	0.87	0.87
Total				**543.57**	**444.91**

The following matters have been decided in favour of the Company, although the department has preferred appeals at higher levels: (Rs. in Million)

Name of the statue	Nature of dues	Forum where the dispute is pending	Period to which amount pertains	Amount involved	Amount not deposited
Income Tax Act, 1961	Income tax	ITAT	2004-05	3.96	3.96

43. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (Rs. in Million)

Particulars	March 31, 2017	March 31, 2016
(i) Principal amount remaining unpaid to MSME suppliers as on	9.07	3.41
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the Auditors.

44. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

45. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

46. Disclosure in terms of G.S.R. 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs, Government of India

The Company did not have any transaction in form of Specified Bank notes (SBN) during the period from November 08, 2016 to December 30, 2016 pursuant to the requirements of notification G.S.R. 308 dated March 30, 2017.

(Amount in Rs. Absolute Figures)

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	80,000	2,585	82,585
(+) Permitted receipts	-	102,327	102,327
(-) Permitted payments	-	(70,305)	(70,305)
(-) Amount deposited in banks	(80,000)	-	(80,000)
Closing cash in hand as on December 30, 2016	**-**	**34,607**	**34,607**

47. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on August 24, 2017.

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRIGHTSTAR TELECOMMUNICATIONS INDIA LIMITED (FORMERLY KNOWN AS BEETEL TELETECH LIMITED)

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **BRIGHTSTAR TELECOMMUNICATIONS INDIA LIMITED** (formerly known as Beetel Teletech Limited) (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements".

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows andconsolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of auditor on separate financial statements of subsidiary referred to in the Other Matters paragraph below, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated loss,consolidated total comprehensive loss, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of subsidiary, whose financial statements reflect total assets of Rs. 402.00 Million as at March 31, 2017, total revenues of Rs. 1,183.65 Million and net cash outflows amounting to Rs. 7.79 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

(b) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of subsidiary included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

(c) The transition date opening balance sheet as at April 1, 2015 of the Group prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the said opening balance sheet dated May 27, 2015 expressed an unmodified opinion.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent, none of the directors of the Parent company is disqualified as at March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act. The Parent has a subsidiary company incorporated outside India, hence, Section 164 (2) of the Act is not applicable to the subsidiary company.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**", which is based on the auditors' reports of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's internal financial controls over financial reporting. The Parent has a subsidiary company incorporated outside India and reporting on the adequacy and operating effectiveness of internal financial controls over financial reporting is not applicable to such subsidiary company.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 33 to consolidated financial statements);

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts (Refer Note 44 to consolidated financial statements);

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent (Refer Note 45 to consolidated financial statements);

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Parent. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by Parent for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us(Refer Note 46 to consolidated financial statements).

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
Sd/-
Vijay Agarwal
(Partner)
(Membership No. 094468)

Place : Gurugram
Date : August 24, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' sectionof our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **Brightstar Telecommunications India Limited** (formerly known as Beetel Teletech Limited) (hereinafter referred to as "the Parent"), as of that date. The Parent has a subsidiary company incorporated outside India and reporting on the adequacy and operating effectiveness on internal financial control over financial reporting is not applicable to such subsidiary company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (hereinafter referred to as "the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Vijay Agarwal
(Partner)
(Membership No. 094468)

Place : Gurugram
Date : August 24, 2017

CONSOLIDATED BALANCE SHEET as at March 31st, 2017

(Rs. in Million)

PARTICULARS	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	129.64	149.85	167.88
(b) Capital work-in-progress	4	-	0.72	2.63
(c) Intangible assets	5	5.45	7.17	6.61
(d) Financial assets				
(i) Loans	6	24.63	19.97	18.53
(ii) Other financial assets	7	22.33	4.05	9.24
(e) Deferred tax assets (net)	8	132.58	121.66	70.83
(f) Non-current tax assets (net)	9	171.13	158.56	59.02
(g) Other non-current assets	10	27.10	36.62	14.05
Total non-current assets		**512.86**	**498.60**	**348.79**
Current assets				
(a) Inventories	11	3,400.16	3,541.32	1,533.86
(b) Financial assets				
(i) Trade receivables	12	4,749.84	6,444.38	1,847.79
(ii) Cash and cash equivalents	13	101.88	116.98	130.83
(iii) Other bank balances	14	5.42	2.02	1.86
(iv) Other financial assets	7	93.71	104.41	8.66
(c) Current tax assets (net)	9	-	-	9.12
(d) Other current assets	10	869.72	495.42	83.86
Total current assets		**9,220.73**	**10,704.53**	**3,615.98**
TOTAL ASSETS		**9,733.59**	**11,203.13**	**3,964.77**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	50.92	50.92	50.92
(b) Other equity	16	(39.52)	423.00	419.99
Total equity		**11.40**	**473.92**	**470.91**
Liabilities				
Non-current liabilities				
(a) Provisions	17	46.88	25.20	22.78
Total non-current liabilities		**46.88**	**25.20**	**22.78**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	3,990.91	928.74	740.89
(ii) Trade payables	20	5,343.57	9,436.28	2,580.74
(iii) Other financial liabilities	21	34.16	31.58	2.65
(b) Provisions	17	59.66	83.98	85.88
(c) Other current liabilities	18	247.01	223.43	60.92
Total current liabilities		**9,675.31**	**10,704.01**	**3,471.08**
Total liabilities		**9,722.19**	**10,729.21**	**3,493.86**
TOTAL EQUITY AND LIABILITIES		**9,733.59**	**11,203.13**	**3,964.77**

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place: Gurugram
Date: August 24 , 2017

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31st, 2017

(Rs. in Million)

PARTICULARS			Notes	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from operations		22	38,201.46	40,078.18
II	Other income		23	10.41	18.93
III	**Total income (I + II)**			**38,211.87**	**40,097.11**
IV	**Expenses**				
	(a)	Cost of material consumed	24	342.15	527.54
	(b)	Purchases of stock-in-trade	25	36,696.32	40,320.76
	(c)	Changes in stock of finished goods, work-in-progress and stock-in-trade	26	149.68	(2,019.45)
	(d)	Excise duty on sale of goods		79.84	103.66
	(e)	Employee benefit expense	27	502.59	450.03
	(f)	Finance costs	28	238.54	190.58
	(g)	Depreciation and amortisation expense	29	29.22	31.24
	(h)	Other expenses	30	642.24	541.24
Total expenses (IV)				**38,680.58**	**40,145.60**
V	**Loss before tax (III-IV)**			**(468.71)**	**(48.49)**
VI	**Tax expense(credit):**				
	(a)	Current tax	31	(8.23)	2.61
	(b)	Deferred tax	31	(8.26)	(49.98)
				(16.49)	**(47.37)**
VII	**Loss for the year (V-VI)**			**(452.22)**	**(1.12)**
VIII	**Other comprehensive income**				
	Items that will not be reclassified to profit and loss				
	(i)	Remeasurements of the defined benefit plans		(7.69)	(1.71)
		Income tax effect		2.66	0.59
		Net effect		(5.03)	(1.12)
	(ii)	Exchange difference on translation		(5.27)	5.25
		Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**(10.30)**	**4.13**
IX	**Total comprehensive income/(loss) for the year (VII + VIII)**			**(462.52)**	**3.01**
X	**Earnings/ (loss) per equity share (face value of share Rs. 10 each)**				
	(a)	Basic (in Rs.)	**32**	(88.84)	(0.22)
	(b)	Diluted (in Rs.)	**32**	(88.84)	(0.22)

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place: Gurugram
Date: August 24 , 2017

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended March 31st, 2017

Equity share capital (Equity shares of Rs. 10 each issued, subscribed & fully paid up)	Rs. in Million
Balance as at April 01, 2015	**50.92**
Changes in equity share capital during the year	-
Balance as at March 31, 2016	**50.92**
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**50.92**

(Rs. in Million)

Other equity	Reserves and surplus				Items of other comprehensive income	Total
	General Reserve (Refer Note 16.a)	Capital Reserve (Refer Note 16.b)	Securities premium (Refer Note 16.c)	Retained earnings* (Refer Note 16.d)	Foreign currency transalation reserve (Refer Note 16.e)	
Balance as at April 1, 2015	**26.50**	**2.50**	**5.27**	**380.80**	**4.92**	**419.99**
Loss for the year	-	-	-	(1.12)	-	(1.12)
Other comprehensive loss for the year	-	-	-	(1.12)	-	(1.12)
Effects of exchange difference on translation	-	-	-	-	5.25	5.25
Total movement for the year	**-**	**-**	**-**	**(2.24)**	**5.25**	**3.01**
Balance as at March 31, 2016	**26.50**	**2.50**	**5.27**	**378.56**	**10.17**	**423.00**
Loss for the year	-	-	-	(452.22)	-	(452.22)
Other comprehensive loss for the year	-	-	-	(5.03)	-	(5.03)
Effects of exchange difference on translation	-	-	-	-	(5.27)	(5.27)
Total movement for the year	**-**	**-**	**-**	**(457.25)**	**(5.27)**	**(462.52)**
Balance as at March 31, 2017	**26.50**	**2.50**	**5.27**	**(78.69)**	**4.90**	**(39.52)**

* Includes Rs. 61.27 Million as at April 1, 2015 on account of fair valuation of property, plant and equipment made pursuant to Ind AS adoption.

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 24, 2017

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31st, 2017

(Rs. in Million)

PARTICULARS	Year Ended 31-Mar-17	Year Ended 31-Mar-16
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year after tax	(452.22)	(1.13)
Adjustments for :		
Income tax expense	(16.49)	(47.37)
Finance cost	238.54	190.58
Interest income	(1.27)	(3.04)
Loss/(Gain) on disposal of property, plant and equipment	0.14	(0.05)
Unrealised exchange (gain)/loss (net)	(7.93)	9.69
Depreciation and amortisation expense	29.22	31.24
Impairment loss recognised on trade receivables	65.88	3.53
Bad debts/amounts written off	0.23	0.80
Liabilities/provisions no longer required written back	(2.20)	(1.96)
Allowances for obsolete/slow moving stock	(1.09)	8.78
Allowances for doubtful advances	(1.11)	1.28
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**(148.30)**	**192.36**
Movements in working capital:		
(Increase)/decrease in trade receivables	1,628.07	(4,600.29)
(Increase)/decrease in inventories	142.25	(2,016.30)
(Increase)/decrease in loans	(4.66)	(1.83)
(Increase)/decrease in other financial assets	10.77	(96.96)
(Increase)/decrease in other assets	(361.57)	(436.38)
Increase/(decrease) in trade payables	(4,058.68)	6,867.87
Increase/(decrease) in provisons	5.24	1.79
Increase/(decrease) in other financial liabilities	(31.09)	0.37
Increase/(decrease) in other liabilities	23.66	162.57
CASH GENERATED FROM/(USED IN) OPERATIONS	**(2,793.31)**	**83.20**
Income taxes paid	(19.90)	(96.27)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**(2,813.21)**	**(13.07)**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	0.45	0.28
Payments for property, plant and equipment	(8.72)	(7.52)
Payments for intangible assets	(0.72)	(3.82)
Proceeds from investments in deposits	-	5.19
Payments for investments in deposits	(18.28)	-
Repayments for bank balance not considered as cash and cash equivalents	(3.40)	(0.16)
Interest received	1.20	4.25
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**(29.47)**	**(1.78)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	3,062.17	187.85
Interest paid	(229.24)	(192.04)
Dividends paid (including dividend tax)*	(0.08)	(0.06)
NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**2,832.85**	**(4.25)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(9.83)**	**(19.10)**
Impact of cash flow on account of foreign currency transalation	**(5.27)**	**5.25**
Cash and cash equivalents at the beginning of the year	**116.98**	**130.83**
Cash and cash equivalents at the end of the year	**101.88**	**116.98**
Components of cash and cash equivalents		
Cash in hand	0.05	0.06
Balance with scheduled banks: In current accounts	101.83	116.92
Total cash and cash equivalents as per note 13	**101.88**	**116.98**
Cash and cash equivalents at the end of the year	**101.88**	**116.98**

* Dividend paid comprises of amount transferred to Investor Education and Protection Fund.

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For **Deloitte Haskins and Sells LLP**
Chartered Accountants

Sd/-
Vijay Agarwal
Partner

Place : Gurugram
Date : August 24, 2017

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31st, 2017

1. **Corporate information**

Brightstar Telecommunications India Limited (Erstwhile Beetel Teletech Limited) ('the Company') and its subsidiary (collectively referred to as 'the Group') is engaged in trading of landline phones, modems, smart phones, storage devices, information technology peripherals, network equipment, board room solutions, DTH devices, display devices, voice and data products and manufacturing of landline phones.

The registered address of the Company is First Floor, Plot No. 16, Udyog Vihar, Phase IV, Gurugram, Haryana-122015, India.

2. **Significant accounting policies**

2.1. **Statement of compliance**

In accordance with the notification issued by Ministry of Corporate Affairs, the Group has voluntary adopted the Indian Accounting Standard (referred to as Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 with effect from April 1, 2016.

Upto the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first consolidated Ind AS financial statements. The date of transition to Ind AS is April 1, 2015.

Previous years have been restated to Ind AS. Reconciliations and descriptions of the effect of the transition has been summarised in note 41 of consolidated financial statement.

2.2. **Basis of preparation and presentation**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the assets or the liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3. Basis of measurement

The consolidated financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value at the end of each reporting date as required under relevant Ind AS.

2.4. Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realised or intended to sold or consumed in normal operating cycle

b) It is held primarily for the purpose of trading

c) It is expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Considering the nature of business activities, the operating cycle has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

2.5. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary Brightstar Telecommunications Singapore Private Limited incorporated in Singapore.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements of the subsidiary company used in the consolidation are based on the audited financial statements which has been drawn upto the same reporting date as that of the Company i.e. March 31, 2017.

2.6. Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

2.6.1. Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- Group retains neither continuing managerial involvement to the degree usually associated with

ownership nor effective control over the goods sold;

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of goods is measured at the fair value consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty and net of returns, trade discount, rebates, value added taxes, wherever applicable.

2.6.2. Rendering of services

Service revenues are charged at cost net of discounts and waivers and are recognised as and when services are rendered.The Group collects service tax on behalf of the government and therefore, it is not an economic benefit owing to the Group, hence it is excluded from revenue.

2.6.3. Dividend and interest income

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

2.7. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as a Lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The Group has ascertained that the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases and therefore, the lease payments are recognised as per terms of the lease agreement in the Statement of Profit and Loss.

2.8. Foreign currencies

The functional currency of the Holding Company is the Indian rupee. These consolidated financial statements are presented in Indian rupees.

Income and expenses in foreign currencies are initially recorded by the Group at the exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currencies are carried at historical cost.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

2.9. Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and long term service award.

2.9.1. Defined benefit plans

The Group's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried at the year-end using the Projected Unit Credit Method. Remeasurement, comprising actuarial gains and losses are recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. The contribution towards gratuity is made to Life Insurance Corporation.

2.9.2. Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme is considered as defined contribution plans and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The contributions are made to funds administered and managed by the government of India. There are no other obligations under these plans beyond its contributions.

2.9.3. Short-term and other long-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees renders the service. These benefits include bonus and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Short term compensated absences are provided for based on estimates. Long term compensated absences are measured at the present value of the obligation determined on the basis of actuarial valuation carried at the year-end using projected unit credit method. Actuarial gains and losses are recognised immediately as an income or expense in the Statement of Profit and Loss in the period in which they occur.

Long term service award scheme launched during the year are provided for based on actuarial valuation. The present value of the obligation is determined based on actuarial valuation carried at the year-end using Projected Unit Credit Method. Actuarial gains and losses are recognised immediately as an income or expense in the Statement of Profit and Loss in the period in which they occur.

2.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.10.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11. Property, plant and equipment

Property, plant and equipment(PPE) are carried at cost less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

For transition to IND AS, the Group has elected to measure all of its property, plant and equipment on fair value as of transition date as calculated under Ind AS and used that fair value as the deemed cost of the property, plant and equipment as on transition date.

Capital work-in-progress:

Projects under which tangible PPE are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation:

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. Property, Plant and Equipment (other than Building, Moulds and Computer software) are depreciated to the extent of 95% of their gross value.The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Asset Category	Useful lives (years)
Freehold land	Not Depreciated
Leasehold improvement	Over the period of lease
Building-factory*	30
Plant and machinery (other than moulds and office equipments)*	10
Moulds*	2
Office equipments	5
Furniture and fixtures*	5
Computers*	3
Mobile Phones*	2

Fixed assets costing up to Rs. 5,000 are being fully depreciated in the year of acquisition.

*For these class of assets, based on internal assessment and technical evaluation carried out by the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Major computer software in the nature of ERP license is amortized over a period of 5 years and other software have a life of one year.

2.12. Impairment

The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on internal/external factors. An impairment loss is recognised in Statement of Profit and Loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.13. Inventories

Raw materials, stores and spare parts

Lower of cost and net realizable valueafter providing for obsolescence and other losses. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average cost basis.

Work-in-progress and finished goods

Lower of cost and net realizable valueafter providing for obsolescence and other losses. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost includes octroi, other levies, transit insurance and receiving charges.

2.14. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranty provisions

Provisions for warranty related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually.

2.15. Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities valued at fair value through profit or loss are recognised immediately in profit or loss.

2.16. Financial assets

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

2.16.2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of Profit and Loss and is included in the "other income" line item.

2.16.3. Financial Assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and in included in the 'other income' line items.

2.16.4. Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

2.16.5. Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

2.17. Financial Liabilities and Equity Instruments

2.17.1. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

2.17.2. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

2.17.2.1. Financial Liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

2.17.2.2. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.17.2.3. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.17.2.4. Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payment to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee issued is measured on initial recognition at their fair value and if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.17.2.5 Derivatives contract

The Group enters into forward contracts to manage its exposure to foreign exchange rate risks. Further details of derivative financial instruments are disclosed in note 40.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.18. First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Group has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.Refer note 41 for reconciliation.

2.18.1. Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April, 1 2015 (the transition date).

2.18.2. Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 and as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.18.3. Deemed cost for property, plant and equipment

The Group has elected to measure all of its property, plant and equipment at fair value as on date of transition to Ind AS and used that fair value as the deemed cost of property, plant and equipment as at the date of transition.

2.18.4. Deemed cost for intangible assets

The Group has elected to continue with the carrying amount of intangible assets as of April 1, 2015 (transition date) as deemed cost in transition to Ind AS.

2.19. Contingent Liabilities

Contingent liabilities are disclosed in the consolidated financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

2.20. Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of Cash on hand, balances with banks which are unrestricted for withdrawal and usage and demand deposit with bank.

2.20.1. Cash Flow Statement

Cash flows are reported using the indirect method, where by profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.21. Segment reporting

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Based on the nature and class of product and services, their customers and assessment of differential risks and returns and financial reporting results reviewed by chief operating decision maker, the Group has identified the Mobile distribution and IT distribution as business segments.

2.22. Earnings per share

2.22.1. Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year.

2.22.2. Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.23. Material events

Material adjusting events occurring after the balance sheet date are taken into cognizance.

2.24. Recent accounting developments

Standards issued but not yet effective:

Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the consolidated financial statements is being evaluated by the Group.

2.25. Use of estimates

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

3. Significant accounting judgements, estimates and assumptions

In the application of the Group's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

3.1. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

3.1.1. Going concern assumption

Considering negative operating cash flows of Rs. 2813.21 Million for the year ended March 31, 2017 and net current liability (total current assets less total current liabilities) of Rs. 454.58 Million as at March 31, 2017, the Group proposes to fund its operations for twelve months from the date of signing of the financial statements primarily from expected cash flows based on future business projections and unused credit limit of Rs. 2,220 Million as at March 31, 2017 from the financing facilities issued by banks. In this regard the Group has total sanctioned limit of Rs. 7,069 Million from such banks which is guaranteed by Brightstar Corp. (ultimate holding company), Brightstar Logistics Pte Ltd. (holding company) and Brightstar Logistics Pty Ltd. (fellow subsidiary) and will enable to repay the bank borrowings as and when they fall due. As a result, these financial statements have been prepared using the going concern assumption.

3.2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.2.1. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 39 for further disclosures.

3.2.2. Income taxes

The Group is subject to income tax laws as applicable in India and Singapore. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.2.3. Deferred Taxes

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Group will be able to realise the benefits of those deductible differences in future.

3.2.4. Estimation of defined benefits and compensated leave of absence

The present value of the gratuity, pension and leave encashment obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity and leave encashment obligations are given in note 35.

3.2.5. Estimation of useful life of tangible and intangible assets

Management reviews the useful lives of depreciable assets at each reporting date. As at April 1, 2015, Management has assessed that the useful lives represent the expected utility of the assets to the Group and useful life of building has been revised from 20 years to 30 years based on technical advice. Further, there is no change in the useful lives of other tangible and intangible assets as compared to previous year.

4. Property, plant and equipment (Rs. in Million)

	Description	**As at March 31, 2017**	**As at March 31, 2016**	**As at April 01, 2015**
	Carrying amounts of :			
1	Freehold land	44.71	44.71	44.71
2	Leasehold improvement	4.77	7.70	10.63
3	Building	31.32	33.93	36.54
4	Plant and machinery	37.77	51.72	62.01
5	Furniture and fixture	1.29	1.34	1.54
6	Computer and networking	9.78	10.45	12.45
	Total	**129.64**	**149.85**	**167.88**

Description			
Capital Work in Progress	**-**	**0.72**	**2.63**

Current Year

Description	Gross block				Accumulated Depreciation				Net block	
	As at April 1, 2016	Additions during the year	Disposal/ adjustment	As at March 31, 2017	As at April 1, 2016	Depreciation during the year	Disposal/ adjustment	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
1 Freehold land	44.71	-	-	**44.71**	-	-	-	**-**	**44.71**	44.71
2 Buildings	36.54	-	-	**36.54**	2.61	2.61	-	**5.22**	**31.32**	33.93
3 Leasehold improvement	10.63	-	-	**10.63**	2.93	2.93	-	**5.86**	**4.77**	7.70
4 Plant and equipment	67.34	0.95	0.23	**68.06**	15.62	14.78	0.11	**30.29**	**37.77**	51.72
5 Furniture and fixtures	1.54	0.12	-	**1.66**	0.20	0.17	-	**0.37**	**1.29**	1.34
6 Computer and networking	15.09	5.37	0.66	**19.80**	4.64	5.57	0.19	**10.02**	**9.78**	10.45
Total	**175.85**	**6.44**	**0.89**	**181.40**	**26.00**	**26.06**	**0.30**	**51.76**	**129.64**	**149.85**

Previous Year

Description	Gross block				Accumulated Depreciation				Net block	
	Deemed cost at April 01, 2015	Additions during the year	Disposal/ adjustment	As at March 31, 2016	As at April 01, 2015	Depreciation during the year	Disposal/ adjustment	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
1 Freehold land	44.71	-	-	**44.71**	-	-	-	-	**44.71**	44.71
2 Building	36.54	-	-	**36.54**	-	2.61	-	**2.61**	**33.93**	36.54
3 Leasehold improvement	10.63	-	-	**10.63**	-	2.93	-	**2.93**	**7.70**	10.63
4 Plant and machinery	62.01	5.50	0.17	**67.34**	-	15.67	0.05	**15.62**	**51.72**	62.01
5 Furniture and fixture	1.54	-	-	**1.54**	-	0.20	-	**0.20**	**1.34**	1.54
6 Computer and networking	12.45	2.77	0.13	**15.09**	-	4.66	0.02	**4.64**	**10.45**	12.45
Total	**167.88**	**8.27**	**0.30**	**175.85**	**-**	**26.07**	**0.07**	**26.00**	**149.85**	**167.88**

Notes:

1. The fixed assets are hypothecated/mortgaged to secure borrowings of the Group. (Refer Note 19)
2. In accordance with Ind AS 101, the Group has carried out fair valuation of all its property, plant and equipment as on April 1, 2015 and used that fair value as deemed cost on the date of transition consequent to which value of property, plant and equipment is increased by Rs 81.41 Million as at April 01,2015.

5. Intangible Assets

(Rs. in Million)

Description	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Carrying amounts of :			
Computer software	5.45	7.17	6.61
Total	**5.45**	**7.17**	**6.61**

Current Year

(Rs. in Million)

Description	Gross block				Accumulated Depreciation				Net block	
	As at April 01, 2016	Additions during the year	Disposal/ adjustment	As at March 31, 2017	As at April 01, 2016	Depreciation during the year	Disposal/ adjustment	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Computer software	12.34	1.44	-	**13.78**	5.17	3.16	-	**8.33**	**5.45**	7.17
Total	**12.34**	**1.44**	**-**	**13.78**	**5.17**	**3.16**	**-**	**8.33**	**5.45**	**7.17**

Previous Year

(Rs. in Million)

Description	Gross block				Accumulated Depreciation				Net block	
	Deemed cost at April 01, 2015	Additions during the year	Disposal/ adjustment	As at March 31, 2016	As at April 01, 2015	Depreciation during the year	Disposal/ adjustment	As at March 31, 2016	As at March 31, 2016	As at April 01, 2015
Computer software	6.61	5.73	-	**12.34**	-	5.17	-	**5.17**	**7.17**	6.61
Total	**6.61**	**5.73**	**-**	**12.34**	**-**	**5.17**	**-**	**5.17**	**7.17**	**6.61**

Intangible assets carried in balance sheet as at April 1, 2015 are in accordance with previous GAAP. The Group has elected to use carrying value as deemed cost at the date of transition.

6. Loans

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non current			
Security deposits (Unsecured, considered good)	24.63	19.97	18.53
Security deposits (Unsecured, considered doubtful)	0.39	0.39	-
	25.02	**20.36**	**18.53**
Allowances for credit losses	(0.39)	(0.39)	-
	24.63	**19.97**	**18.53**

7. Other financial assets

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non Current			
(a) Deposits having maturity of more than 12 months	-	-	5.00
(b) Balances in earmarked accounts			
-Margin money*	22.33	4.05	4.24
	22.33	**4.05**	**9.24**
Current			
(a) Financial assets measured at fair value			
(i) Forward contracts	-	-	0.16
(b) Interest accrued on bank deposits	0.12	0.05	1.26
(c) Receivables from related parties	-	0.48	0.46
(d) Other receivables	93.59	103.88	6.78
	93.71	**104.41**	**8.66**

*Margin money with a carrying amount of Rs. 22.33 Million (March 31, 2016- Rs. 4.05 Million) (April 1, 2015- Rs. 4.24 Million) are hypothecated against the bank guarantee.

8. Deferred tax assets (net)*

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred tax assets	149.58	139.16	91.32
Deferred tax liabilities	17.00	17.50	20.49
	132.58	**121.66**	**70.83**

Deferred tax balances arise from the following:

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred tax liability on account of:			
Property, plant and equipment	17.00	17.50	20.49
	17.00	**17.50**	**20.49**
Deferred tax asset on account of:			
Provision for employee benefits	19.56	26.54	15.13
Unabsorbed depreciation / losses	47.83	47.83	-
Provision for liabilities deductible on payment basis	25.08	9.99	29.06
Provision for inventories	24.71	25.17	20.12
Provision for doubtful debts and advances	32.15	14.03	11.67
	149.33	**123.56**	**75.98**
MAT credit receivable	**0.25**	**15.60**	**15.34**
Net deferred tax assets	**132.58**	**121.66**	**70.83**

* In accordance with Ind AS-12 on accounting of taxes on income and deferred tax, the Group has not created deferred tax assets of Rs. 158.39 Million as on March 31, 2017 on unabsorbed depreciation and losses to the extent it is probable that future taxable profit will not be available against which it can be utilised.

9. Tax assets

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non current tax assets			
Advance income-tax (net of provision of Rs. 19.25 Million (March 31, 2016- Rs. 105.00 Million) (April 1, 2015- Rs. 105.00 Million))	171.13	158.56	59.02
	171.13	**158.56**	**59.02**
Current tax assets			
Advance income-tax	-	-	9.12
	-	**-**	**9.12**

10. Other assets

(Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current			
(a) Capital advances (Unsecured, considered good)	-	-	0.75
(b) Advances other than capital advances (Unsecured, considered good)			
(i) Balances with government authorities (other than income taxes)*	25.23	34.18	9.15
(ii) Deferred expense on security deposit given	1.87	2.44	4.15
	27.10	**36.62**	**14.05**
(c) Advances other than capital advances (Unsecured, considered doubtful)			
(i) Balances with government authorities (other than income taxes)	7.58	7.58	7.28
	7.58	**7.58**	**7.28**
Allowances for credit losses	(7.58)	(7.58)	(7.28)
	27.10	**36.62**	**14.05**
Current			
(a) Capital advances (Unsecured, considered good)	2.28	-	-
(b) Advances other than capital advances (Unsecured, considered good)			
(i) Prepaid expenses	22.47	28.33	14.94
(ii) Balances with government authorities (other than income taxes)	801.24	353.85	40.61
(iii) Loans/Imprest to employees	1.71	0.66	0.65
(iv) Deferred expense on security deposit given	1.97	1.70	1.70
(v) Other advances	40.05	110.88	25.96
	869.72	**495.42**	**83.86**
(c) Advances other than capital advances (unsecured, considered doubtful)			
(i) Balances with government authorities (other than income taxes)	2.52	3.45	3.53
(ii) Other advances	1.21	1.38	0.71
	3.73	**4.83**	**4.24**
Allowances for credit losses	(3.73)	(4.83)	(4.24)
	869.72	**495.42**	**83.86**

* Balances with statutory/ government authorities represents payments made to various government authority under protest and disclosed net of provisions of Rs. 87.59 Million(March 31, 2016 Rs. 88.83 Million) (April 01, 2015 Rs. 27.56 Million).

11. Inventories (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Raw materials	48.94	41.46	44.40
Allowances for obsolete/slow moving stock	(2.93)	(1.82)	(0.48)
	46.01	**39.64**	**43.92**
Work-in-progress	**6.99**	**5.80**	**4.83**
Finished goods	29.23	30.53	29.01
Allowances for obsolete/slow moving stock	(0.10)	(0.19)	(0.11)
	29.13	**30.34**	**28.90**
Stock-in-trade	3,384.53	3,534.10	1,517.14
Allowances for obsolete/slow moving stock	(68.51)	(70.62)	(63.19)
	3,316.02	**3,463.48**	**1,453.95**
Stores and spares	2.14	2.19	2.40
Allowances for obsolete/slow moving stock	(0.13)	(0.13)	(0.14)
	2.01	**2.06**	**2.26**
	3,400.16	**3,541.32**	**1,533.86**

Included above, goods-in-transit:			
(i) Raw materials	18.99	12.17	11.47
(ii) Stock-in-trade	156.82	218.35	212.83
Total goods-in-transit	**175.81**	**230.52**	**224.30**

12. Trade receivables (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current			
Trade receivables			
(a) Unsecured, considered good*	4,749.84	6,444.38	1,847.79
(b) Unsecured considerd doubtful	81.07	15.19	11.66
	4,830.91	**6,459.57**	**1,859.45**
Allowance for credit loss	(81.07)	(15.19)	(11.66)
	4,749.84	**6,444.38**	**1,847.79**

* Includes Rs. 433.69 Million (March 31, 2016- Rs. 464.06 Million, April 1, 2015- Rs. 86.79 Million) secured against bank guarantees issued by customers, Rs. 2,899.91 Million (March 31, 2016- Rs. 3,994.37 Million, April 1, 2015- Rs. 1,220.37 Million) secured against credit insurance and Rs. 29.94 Million (March 31, 2016- Rs. 8.42 Million, April 1, 2015- Rs. 0.42 Million) secured against letter of credit.

13. Cash and cash equivalents (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(i) Cash on hand	0.05	0.06	0.10
(ii) Balances with banks:			
(a) In current accounts	101.83	116.92	130.73
	101.88	**116.98**	**130.83**

14. Other bank balances (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) In earmarked accounts			
- On current accounts under lien	2.05	1.81	1.52
- On unpaid dividend account	0.13	0.21	0.34
- Margin money	3.24		
	5.42	**2.02**	**1.86**

15. Equity share capital (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised share capital			
Equity shares of Rs. 10 each with voting rights	100.00	100.00	100.00
March 31, 2017 :- 10,000,000 Shares			
March 31, 2016 :- 10,000,000 Shares			
April 01, 2015 :- 10,000,000 Shares			
Issued, paid up and subscribed capital			
Equity shares of Rs. 10 each with voting rights	50.92	50.92	50.92
March 31, 2017 :- 5,091,607 Shares			
March 31, 2016 :- 5,091,607 Shares			
April 01, 2015 :- 5,091,607 Shares			
	50.92	**50.92**	**50.92**

15.1. Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

(Rs. in Million)

	Number of Shares	Share Capital
Balance as at April 01, 2015	5.09	50.92
Add:- Issued/ conversion during the year	-	-
Balance as at March 31, 2016	5.09	50.92
Add:- Issued/ conversion during the year	-	-
Balance as at March 31, 2017	**5.09**	**50.92**

15.2. Voting and other rights

The Group has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.3. Details of shares held by the holding company, its subsidiaries and associates

Fully paid equity shares of Rs. 10 (No. of Shares in Million)	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Brightstar Logistics Pte. Ltd (Holding Company)	2.59	2.59	2.59

15.4. Details of shares held by each shareholder holding more than 5% (In Million)

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
Fully paid equity shares of Rs. 10 each	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Brightstar Logistics Pte. Ltd	2.59	51.00%	2.59	51.00%	2.59	51.00%
Bharti (RM) Holdings Private Limited	0.63	12.36%	0.63	12.36%	0.63	12.36%
Bharti (SBM) Holdings Private Limited	1.01	19.78%	1.01	19.78%	1.01	19.78%
Bharti (RBM) Holdings Private Limited	0.63	12.36%	0.63	12.36%	0.63	12.36%

16. Other equity (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
General reserve	26.50	26.50	26.50
Capital reserve	2.50	2.50	2.50
Securities premium	5.27	5.27	5.27
Retained earnings	(78.69)	378.56	380.80
Foreign currency transalation reserve	4.90	10.17	4.92
	(39.52)	**423.00**	**419.99**

16.1. General reserve (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period	26.50	26.50
Movement during the period	-	-
Balance at the end of the period	**26.50**	**26.50**

16.2. Capital reserve (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	2.50	2.50
Movement during the year	-	-
Balance at the end of the year	**2.50**	**2.50**

16.3. Securities premium (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	5.27	5.27
Movement during the year	-	-
Balance at the end of the year	**5.27**	**5.27**

16.4. Retained earnings (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	378.56	380.80
Loss attributable to owners of the Group	(452.22)	(1.12)
Other comprehensive loss	(5.03)	(1.12)
Balance at the end of the year	**(78.69)**	**378.56**

16.5. Foreign currency translation reserve (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	10.17	4.92
Movement during the year	(5.27)	5.25
Balance at the end of the year	**4.90**	**10.17**

Nature of reserves

16.a) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

16.b) Capital reserve

The Group recognises profit or loss on purchase, sale, issue or cancellation of Group's own equity instruments to capital reserve.

16.c) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

16.d) Retained earning

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

16.e) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rs.) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on derivatives that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the disposal of the foreign operation.

17. Provisions (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non current provisions			
(a) Provision for employee benefits			
Provision for gratuity (Refer Note 35)	28.64	16.19	12.50
Provision for compensated absences (Refer Note 35)	16.65	9.01	7.80
Provision for other long term employees benefits (Refer Note 35)	1.59	-	-
	46.88	**25.20**	**20.30**
(b) Other provisions			
Provision for warranties (Refer Note 17.1)	-	-	2.48
	-	**-**	**2.48**
	46.88	**25.20**	**22.78**
Current provisions			
(a) Provision for employee benefits			
Provision for gratuity (Refer Note 35)	2.58	1.15	-
Provision for compensated absences (Refer Note 35)	0.63	1.76	1.38
Provision for other long term employees benefits (Refer Note 35)	1.91	-	-
	5.12	**2.91**	**1.38**
(b) Other provisions			
Provision for warranties (Refer Note 17.1)	30.35	31.50	30.54
Provision for litigations (Refer Note 17.2)	14.02	23.83	25.24
Provision for income-tax (net of advance tax as on March 31, 2016- Rs. 20.51 Million, April 1, 2015- Rs. 20.51 Million)	10.17	25.74	28.72
	54.54	**81.07**	**84.50**
	59.66	**83.98**	**85.88**

17.1. Provision for warranties

The Group provides warranty on certain products dealt by it by giving the undertaking to repair/ replace items, which fails to perform satisfactorily during the warranty period. Provision made as at March 31, 2017 represents the amount of the expected cost of meeting such obligations of repair/ replacement. The details are as follows:

(Rs. in Million)

Reconciliation of balance at the beginning and at the end of the period	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period	31.50	33.02
Arising during the year	14.14	31.10
Utilized during the year	(12.86)	(30.23)
Unused amounts reversed	(2.43)	(2.39)
Balance at the end of the period	**30.35**	**31.50**

17.2. Provision for litigations*

The Group is contending various matters pretaining to excise duty, sales tax and entry tax and has considered provision for the matters where it is probable that an outflow of resources may be required to settle the obligation. The details are as follows:

(Rs. in Million)

Reconciliation of balance at the beginning and at the end of the period	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period	114.10	114.10
Arising during the year	4.46	-
Balance at the end of the period	**118.56**	**114.10**

*The movement of provision towards litigations disclosed under other non-current assets (Refer Note 10) and current provisions. Further, the Group has made provisions net of advance Rs. 16.95 Million (March 31, 2016- Rs. 1.44 Million), (April 1, 2015 Rs. 61.30 Million).

18. Other current liabilities (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current			
(a) Advance received from customer	113.75	106.64	25.59
(b) Statutory dues			
- taxes payable (other than income taxes)	133.13	116.58	35.06
(c) Investor Education & Protection Fund (will be credited from unpaid dividend bank account as and when due)	0.13	0.21	0.27
	247.01	**223.43**	**60.92**

19. Current borrowings (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured			
a) Cash credit from banks (Refer Note 19.1)	145.38	456.76	72.53
b) Working capital demand loan (Refer Note 19.1)	3,780.00	100.00	668.36
c) Buyer's credit (Refer Note 19.2)	65.53	371.98	-
	3,990.91	**928.74**	**740.89**

Note :

19.1. Cash credit and working capital demand loan

a) Cash credit and working capital demand loan from ANZ Banking Group Ltd is secured by hypothecation of current, fixed, movable and immovable assets of the Group. Further, the above borrowing from ANZ banking Group Ltd is secured against corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd.

b) Cash credit and working capital demand loan from Kotak Mahindra Bank is secured by hypothecation of all existing and future receivable/current assets/movable fixed assets of Group and further secured against corporate guarantee from Brightstar Corp.

c) Cash credit and working capital demand loan from HDFC Bank Ltd is secured by hypothecation of stock, book debts and entire fixed assets of Group and further secured against corporate guarantee from Brightstar Corp.

19.2. Buyer's credit

a) Buyer's credit from ANZ Banking Group Ltd which is secured by corporate guarantee from Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd.

19.3. Corporate guarantees

a) Since the corporate guarantees given by Brightstar Corp., Brightstar Logistics Pte Ltd and Brightstar Logistics Pty Ltd. are integral to the original borrowings, fair value of financial guarantee is not accounted separately.

20. Trade payables (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Payables to micro and small enterprises (refer note 43)	9.07	3.41	-
Payables to others*	5,334.50	9,432.87	2,580.74
	5,343.57	**9,436.28**	**2,580.74**

* Above trade payables includes payable to one significant vendor amounting Rs. 1,033.48 Million (March 31, 2016- Rs. 1,600.64 Million, April 1, 2015- Rs. Nil) which will be paid to the vendor only after the Group will receive payment from customers to whom the Group have sold its product.

For related party balances, Refer Note 36.

21. Other financial liabilities (Rs. in Million)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current			
(a) Security deposits received	0.14	1.21	0.84
(b) Interest accrued but not due on borrowings	9.65	0.35	1.81
(c) Financial liability measured at fair value			
(i) Forward contracts	24.37	30.02	-
	34.16	**31.58**	**2.65**

22. Revenue from operations (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Revenue from sale of products		
- Finished goods (including excise duty)	790.03	748.29
- Traded goods	37,372.98	39,307.63
(b) Revenue from rendering of services	37.94	21.69
(c) Other operating revenue		
- Sale of scrap	0.51	0.57
	38,201.46	**40,078.18**

23. Other income (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest income		
(i) On bank deposits	1.27	3.04
(ii) On unwinding of discount on security deposits	2.05	1.83
(iii) Others	2.67	3.05
(b) Other non operating income		
(i) Profit on sale of property, plant and equipment (net)	-	0.05
(ii) Liabilities/provisions no longer required written back	4.40	1.96
(iii) Miscellaneous income	0.02	9.00
	10.41	**18.93**

24. Cost of material consumed (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Opening stock	41.46	44.40
Add: Purchases	349.63	524.60
	391.09	**569.00**
Less: Closing stock	48.94	41.46
Cost of material consumed	**342.15**	**527.54**

25. Purchases (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Purchase of goods	36,678.44	40,309.10
Purchase of services	17.88	11.66
	36,696.32	**40,320.76**

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Inventories at the end of the year:		
Finished goods	29.23	30.53
Work-in-progress	6.99	5.80
Stock-in-trade	3,384.53	3,534.10
	3,420.75	**3,570.43**
Inventories at the beginning of the year:		
Finished goods	30.53	29.01
Work-in-progress	5.80	4.83
Stock-in-trade	3,534.10	1,517.14
	3,570.43	**1,550.98**
Net decrease/(increase)	**149.68**	**(2,019.45)**

27. Employee benefit expense (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	456.41	415.90
Contribution to provident and other funds	31.05	25.68
Staff welfare expenses	15.13	8.45
Total	**502.59**	**450.03**

28. Finance cost (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense for financial liabilities not classified as FVTPL		
-On current borrowings	238.54	190.58
	238.54	**190.58**

29. Depreciation and amortisation expense (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment (Refer Note 4)	26.06	26.07
Amortisation of intangible assets (Refer Note 5)	3.16	5.17
	29.22	**31.24**

30. Other expenses (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Advertisement and marketing expense	4.83	4.59
Amount/debtors written off	0.23	0.80
Bank charges	10.63	13.82
Charity and donation	0.20	0.09
Expenditure on corporate social responsibility*	1.09	0.46
Commission on sales	9.12	11.41
Communication expenses	11.89	12.43
Consumption of stores and spares	2.99	3.13
Electricity and water charges	2.95	3.30
Exchange rate difference(net)	67.03	82.22
Excise duty on account of increase/(decrease) in stock of finished goods	0.19	(0.87)
Freight and cartage	69.59	77.55
Insurance charges	29.44	30.20
Legal and professional expenses**	38.86	23.58
Loss on sale of property, plant and equipment (net)	0.14	-
Power and fuel	12.36	12.52
Printing and stationery	1.59	1.65
Allowances for doubtful advance	-	1.28
Allowances for doubtful debt	65.88	3.53
Allowances for obsolete/slow moving stock	-	8.78

	Year ended March 31, 2017	Year ended March 31, 2016
Recruitment expenses	39.84	4.74
Rates and taxes	6.94	0.54
Rent including lease rentals	27.11	27.06
Repair and maintenance:		
a) Building	0.19	0.32
b) Others	42.21	46.15
Sales promotion and schemes expenses	61.37	18.39
Security charges	3.91	3.78
Service charges	52.96	43.45
Travelling and conveyance	43.85	41.48
Warranty cost	11.71	28.71
Miscellaneous expenses	23.14	36.15
Total	**642.24**	**541.24**

***Details of expenditure on corporate social responsibility** (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Promoting quality education programs of Bharti Foundation for underprivileged children across the country	1.09	0.46
	1.09	**0.46**

****Payment to Auditor (as included in legal and professional expenses)** (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
As Auditor:		
Audit fee #	2.62	2.87
In other capacity:		
Other services (certification and others) #	0.05	-
Reimbursement of expenses #	0.08	0.34
	2.75	**3.21**

excluding taxes

31. Income taxes (Rs. in Million)

Income taxes recognised in Statement of Profit and Loss	Year ended March 31, 2017	Year ended March 31, 2016
Current tax		
In respect of the current year	10.92	9.29
In respect of the previous years	(19.15)	(6.68)
	(8.23)	**2.61**
Deferred tax		
In respect of the current year	(23.60)	(49.98)
In respect of the previous years	15.34	-
	(8.26)	**(49.98)**
Total income tax expense recognised in the Statement of Profit and Loss	**(16.49)**	**(47.37)**

Reconciliation of tax expense with accounting profit for the year as follows: (Rs. in Million)

	Year ended March 31, 2017	Year ended March 31, 2016
Loss before tax	(468.71)	(48.49)
Income tax @34.61%	(162.22)	(16.78)
Adjustments in respect of current income tax of previous years	(19.15)	(6.68)
Adjustments in respect of deferred tax of previous years	22.29	(5.99)
Adjustments in respect of difference in tax rates	-	(4.24)
Adjustment in respect of difference in tax rates of subsidiary company	(15.80)	(13.68)
Deferred tax asset not recognised	158.39	-
Net tax expense recognised in Statement of Profit and Loss	**(16.49)**	**(47.37)**

The tax rate used for the years 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 34.61% payable by corporate entity in India on taxable profits under the Indian tax law.

32. Loss per share

	Year ended March 31, 2017	Year ended March 31, 2016
	Rs.	**Rs.**
Basic loss per share	(88.84)	(0.22)
Diluted loss per share	(88.84)	(0.22)

32.1. Basic loss per share (Rs. in Million)

The loss used in the calculation of basic loss per share are as follows:	Year ended March 31, 2017	Year ended March 31, 2016
Loss used in the calculation of basic loss per share from continuing operations	(452.22)	(1.12)

The weighted average number of equity shares used in the calculation of basic loss per share are as follows:	Year ended March 31, 2017	Year ended March 31, 2016
Weighted average number of equity shares used in the calculation of basic loss per share	5.09	5.09

32.2. Diluted loss per share (Rs. in Million)

The loss used in the calculation of diluted loss per share are as follows:	Year ended March 31, 2017	Year ended March 31, 2016
Loss used in the calculation of basic loss per share	(452.22)	(1.12)
Loss used in the calculation of diluted loss per share	(452.22)	(1.12)

The weighted average number of equity shares used in the calculation of diluted loss per share are as follows:	Year ended March 31, 2017	Year ended March 31, 2016
Weighted average number of equity shares used in the calculation of basic loss per share	5.09	5.09
Weighted average number of equity shares used in the calculation of diluted loss per share	5.09	5.09

There is no potential equity shares that are anti-dilutive and therefore not considered for the weighted average number of equity shares for the purpose of diluted loss per share.

33. Contingent liabilities:

(i) Claims against the Group not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote):

(Rs. in Million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Indirect taxes	223.37	197.59	56.17
Income taxes	1.43	1.43	1.43
Other	5.13	4.53	22.73
Total	**229.93**	**203.55**	**80.33**

34. Commitment

(i) Capital commitments (Rs. in Million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for*	0.25	-	1.00
Total	**0.25**	**-**	**1.00**

* As of March 31, 2017, Net of advance Rs. 2.28 Million (March 31, 2016- Rs. Nil, April 1, 2015- Rs. 0.75 Million)

The Group has other commitments for the purchase orders which are issued after considering requirements per operating cycle for purchase of goods and services. The Group does not have any long term commitment or material non-cancellable contractual commitments/ contracts which might have a material impact on the financial statements.

(ii) Leases

The Group has taken certain office and warehouse space on lease. Rental expense towards such leases charged to Statement of Profit and Loss amounting to Rs. 27.11 Million (year ended March 31, 2016 Rs. 27.06 Million).

Details of non-cancellable operating lease commitments are as under: (Rs. in Million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
not later than one year	40.96	20.83	34.20
later than one year but not later than five years	41.56	23.74	78.94
later than five years	-	-	-
Total	**82.52**	**44.57**	**113.14**

35. Employee benefit plan

35.1. Defined contribution plan

The Group makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 20.71 Million (year ended March 31, 2016 Rs. 16.87 Million) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

35.2. Defined benefit plans and other employee benefits

Gratuity scheme: The scheme is a defined benefit arrangement providing gratuity benefit expensed in terms of final monthly salary and service. Every employee gets a gratuity on departure at 15 days salary for each completed year of service. However, payment to the employees who have joined prior to April 1, 2008 is subject to a maximum limit of Rs 1,000,000. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

Long term employee benefits: Compensated absences include earned leaves and Sick leaves. Compensated absences have been provided on accrual basis based on year end actuarial valuation.

Long term service award: The long term service award ('the program') is governed by Group's long term service policy and is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using projected unit credit method (PUC). The program liability is the actuarial present value of the projected accrued benefits as of the beginning and end of the period for active members.

35.3. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow:

Salary risk (salary escalation)	Actual salary escalation will increase the Plan's liability. Increase in salary escalation rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability

35.4. The principal assumptions used for the purposes of the acturial valuations were as follows:

	Valuation as at								
	March 31, 2017			March 31, 2016			April 01, 2015		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Discount rate(s)	7.10%	7.10%	7.10%	7.70%	7.70%	N/A	7.75%	7.75%	N/A
Expected rate(s) of salary escalation	8.00%	8.00%	N/A	8.00%	8.00%	N/A	8.00%	8.00%	N/A
Employee turnover	0%-40%	0%-40%	N/A	0%-37.5%	0%-37.5%	N/A	0%-37.5%	0%-37.5%	N/A

35.5. Amounts recognised in statement of profit and loss in respect of these defined benefits plans and other long term employee benefits are as follows:

(Rs. in Million)

	March 31, 2017			March 31, 2016		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Service cost*						
Current service cost	6.97	4.87	3.50	6.08	3.04	-
Actuarial (gains)/losses	-	2.88	-	-	0.34	-
Net interest expense	1.33	0.83	-	0.99	0.71	-
Components of defined benefit costs recognised in profit or loss	**8.30**	**8.58**	**3.50**	**7.07**	**4.09**	**-**

	March 31, 2017			March 31, 2016		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Remeasurement on the net defined benefit liability :**						
Return on plan assets (excluding amunt included in net interest expense)	0.35	-	-	(0.19)	-	-
Actuarial (gains)/losses	7.34	-	-	1.90	-	-
Components of defined benefit costs recognised in other comprehensive income	**7.69**	**-**	**-**	**1.71**	**-**	**-**
Total	**15.99**	**8.58**	**3.50**	**8.78**	**4.09**	**-**

* The current service cost and the net interest expense for the year are included in the "Employee benefit expense" line item in the statement of profit and loss.

** The remeasurement of the net defined liability is included in other comprehensive income.

35.6. The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans and other long term employee benefits is as follows:

(Rs. in Million)

	March 31, 2017			March 31, 2016			April 01, 2015		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Present value of defined benefit obligation	58.45	17.28	3.50	44.97	10.77	-	37.29	9.18	-
Fair value of plan assets	(27.23)	-	-	(27.63)	-	-	(24.79)	-	-
Net liability arising from defined benefit obligation	**31.22**	**17.28**	**3.50**	**17.34**	**10.77**	**-**	**12.50**	**9.18**	**-**
Non Current Portion	28.64	16.65	1.59	16.19	9.01	-	12.50	7.80	-
Current Portion	2.58	0.63	1.91	1.15	1.76	-	-	1.38	-

Movement in the present value of the defined benefit obligations and other long term employee benefits are as follows:

(Rs. in Million)

	March 31, 2017			March 31, 2016		
	Gratuity	**Compensated absences**	**Long term service award**	**Gratuity**	**Compensated absences**	**Long term service award**
Opening defined benefit obligations	**44.97**	**10.77**	**-**	**37.29**	**9.18**	**-**
Current service cost	6.97	4.87	3.50	6.08	3.04	-
Interest Cost	3.46	0.83	-	2.90	0.71	-
Remeasurement (gains)/losses						-
-Actuarial (gains)/losses	7.34	2.88	-	1.90	0.34	-
Benefits paid	(4.29)	(2.07)	-	(3.20)	(2.50)	-
Closing defined benefit obligation	**58.45**	**17.28**	**3.50**	**44.97**	**10.77**	**-**

Movement in the fair value of the plan assets are as follows:

(Rs. in Million)

	March 31, 2017			March 31, 2016		
	Gratuity	Compensated absences	Long term service award	Gratuity	Compensated absences	Long term service award
Opening fair value of plan assets	**27.63**	**-**	**-**	**24.79**	**-**	**-**
Interest income	2.13	-	-	1.91	-	-
Remeasurement gains/(losses)						
-Actual return on plan assets in excess of the expected return	(0.35)	-	-	0.19	-	-
Contributions by employer (including benefit payments recoverable)	0.19	-	-	2.33	-	-
Benefits paid	(2.37)	-	-	(1.59)	-	-
Closing fair value of plan assets	**27.23**	**-**	**-**	**27.63**	**-**	**-**

35.7. Maturity profile of defined benefit obligation of gratuity: (Rs. in Million)

	2017	2016
Within 1 year	4.83	5.76
2 - 5 year	21.13	20.60
6 - 10 year	26.61	21.93
More than 10 years	61.19	27.83

The weighted average duration of the defined benefit obligation is 8 years.

35.8. Plan assets

The fair value of Group's plan asset as of March 31, 2017, March 31, 2016 and April 01, 2015 by category are as follows:

Asset category:	2017	2016	2015
Investment with Insurer	100%	100%	100%

35.9. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

35.10. Senstivity analysis

The sensitivity of the defined benefit obligation of gratuity to changes in the weighted principal assumptions is:

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation	
			Increase	Decrease
Discount rate	2017	(- / + 1%)	(4.41)	4.99
	2016	(- / + 1%)	(2.40)	2.67
Salary escalation rate	2017	(- / + 1%)	4.67	(4.28)
	2016	(- / + 1%)	2.40	(2.21)
Attrition rate	2017	(- / + 50%)	(0.36)	0.57
	2016	(- / + 50%)	0.00	0.05
Mortality rate	2017	(- / + 10%)	(0.01)	0.01
	2016	(- / + 10%)	0.00	0.00

36. Related Party Transactions

S.No.	Nature of relationship	Name of the party
a.	Ultimate holding company	Brightstar Corp
b.	Holding company	Brightstar Logistics Pte Ltd
c.	Enterprise having substantial interest in the Group	Bharti (SBM) Holdings Private Limited Bharti (RBM) Holdings Private Limited Bharti (RM) Holdings Private Limited
d.	Fellow subsidiaries and other companies which do not exercise control or significant influence over the Group (with whom the Group has transactions)	Brightstar NZ Limited Brightstar Supply Chain Services Sdn Bhd Brightstar Telecom Services Pvt. Ltd. Brightstar Logistics Pty Ltd Brightstar FZE
e.	Key management personnel of the Group	**Whole Time Directors:** Mr. Alok Shankar-CEO till July 05, 2016 and whole time director till July 07, 2016 Mr. Deval Parikh CEO with effect from July 06, 2016 and whole time director since September 20, 2016 **Other Key Managerial Personnel:** Geeta Mathur (Independent Director) Rajesh Madan (Independent Director) Paul Andrew Ringrose (Director) Dharshan Nanayakkara (Director) Harjeet Singh Kohli (Director) Lim Puay Chong Vincent (Director) Puneet Khanna (CFO till February 28, 2017) Rohit Gupta (CFO with effect from March 15, 2017) Neeru Bhalla (Company Secretary)

36.1. Details of transaction between the Group and its related parties are disclosed below:

(Rs. in Million)

Particulars	For the year ended	Ultimate holding company	Holding company	Fellow subsidiaries	Key managerial personnel*
Nature of transactions with related parties					
Purchase of goods	31-Mar-17	-	-	-	-
	31-Mar-16	266.96	-	-	-
Purchase of property and other assets	31-Mar-17	-	-	-	-
	31-Mar-16	-	-	2.96	-
Expenses incurred by related party on behalf of Group	31-Mar-17	1.12	0.42	12.46	-
	31-Mar-16	-	6.44	0.72	-

Expenses incurred by Group on behalf of related party	31-Mar-17	4.28	-	-	-
	31-Mar-16	-	-	-	-
Management contract fees expenses	31-Mar-17	-	-	5.33	-
	31-Mar-16	-	-	22.48	-
Short-term employee benefits	31-Mar-17	-	-	-	50.44
	31-Mar-16	-	-	-	43.69
Fee for attending board committee meetings	31-Mar-17	-	-	-	1.56
	31-Mar-16	-	-	-	1.74

*The remuneration to the key managerial personnel ('KMP') does not include the provisions made for gratuity, compensated absences as they are determined on an actuarial basis for the Group as a whole.

36.2. Balance outstanding at the end of the year (Rs. in Million)

Nature of balances with related parties	Balance as on	Ultimate holding company	Holding company	Fellow subsidiaries	Key managerial personnel
Trade payables	31-Mar-17	27.12	0.41	0.03	-
	31-Mar-16	267.92	8.57	19.73	-
	01-Apr-15	-	3.64	5.50	-
Other receivables*	31-Mar-17	-	-	-	-
	31-Mar-16	-	-	-	-
	01-Apr-15	0.46	-	-	-
Employee related liabilities	31-Mar-17	-	-	-	5.52
	31-Mar-16	-	-	-	8.53
	01-Apr-15	-	-	-	5.02

* Enterprises owned or significantly influenced by key management personnel or their relatives includes Bharti Airtel Limited and Bharti Reality Holding Limited which were included in related party upto September 30, 2014 and hence not included in above details.

Notes

1. For corporate guarantees given by related party on behalf of the Group, Refer Note 19.

37. Group information

Information about subsidiary

The consolidated financial statements of the Group includes subsidiary listed in the table below:

Name	Principal activities	Country of incorporation	% of equity interest		
			As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Brightstar Telecommunications Singapore Private Limited (Erstwhile Beetel Teletech Singapore Private Limited)	Wholesale business of telecommunications equipments	Singapore	100.00	100.00	100.00

Holding company

The next senior company of Brightstar Telecommunications India Limited is Brightstar Logistics Pte Ltd which is based in Singapore. The ultimate holding company of the Brightstar Telecommunications India Limited is Brightstar Corp.

38. Statutory group information

(Rs. in Million)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated net assets		As % of consolidated profit/(loss)		As % of consolidated other comprehensive income/(loss)		As % of consolidated total comprehensive income/(loss)	
Parent								
Brightstar Telecommunications India Limited								
Balance as at March 31, 2017	33%	98.80	115%	(520.31)	100%	(5.03)	115%	(525.34)
Balance as at March 31, 2016	82%	624.14	5142%	(57.59)	100%	(1.12)	2621%	(58.71)
Subsidiaries								
Foreign								
Brightstar Telecommunications Singapore Private Limited								
Balance as at March 31, 2017	67%	201.29	-15%	68.09	0%	-	-15%	68.09
Balance as at March 31. 2016	18%	138.47	-5042%	56.47	0%	-	-2521%	56.47
Total - March 31, 2017	**100%**	**300.09**	**100%**	**(452.22)**	**100%**	**(5.03)**	**100%**	**(457.25)**
Total - March 31, 2016	**100%**	**762.61**	**100%**	**(1.12)**	**100%**	**(1.12)**	**100%**	**(2.24)**
a) Adjustment arising out of consolidation								
As at March 31, 2017		(288.69)		-		(5.27)		(5.27)
As at March 31, 2016		(288.69)		-		5.25		5.25
b) Minority interest								
Foreign subsidiary								
Brightstar Telecommunications Singapore Private Limited								
Balance as at March 31, 2017		-		-		-		-
Balance as at March 31, 2016		-		-		-		-
Total - March 31, 2017		**-**		**-**		**-**		**-**
Total - March 31, 2016		**-**		**-**		**-**		**-**
Consolidated net assets/ profit								
As at March 31, 2017		**11.40**		**(452.22)**		**(10.30)**		**(462.52)**
As at March 31, 2016		**473.92**		**(1.12)**		**4.13**		**3.01**

39. Fair value measurements

39.1. The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

(Rs. in Million)

	Measured at fair value through P&L	Measured at amortised cost	Carrying value
Financial assets:			
Cash and cash equivalents	-	101.88	101.88
Other bank balances	-	5.42	5.42
Trade receivables	-	4,749.84	4,749.84
Loans	-	24.63	24.63
Other financial assets	-	116.04	116.04
Total	**-**	**4,997.81**	**4,997.81**

Financial liabilities:			
Trade payables	-	5,343.57	5,343.57
Borrowings	-	3,990.91	3,990.91
Forward contracts	24.37	-	24.37
Other financial liabilities	-	9.79	9.79
Total	**24.37**	**9,344.27**	**9,368.64**

39.2. The carrying value of financial instruments by categories as of March 31, 2016 is as follows:

(Rs. in Million)

	Measured at fair value through P&L	Measured at amortised cost	Carrying value
Financial assets:			
Cash and cash equivalents	-	116.98	116.98
Other bank balances	-	2.02	2.02
Trade receivables	-	6,444.38	6,444.38
Loans	-	19.97	19.97
Other financial assets	-	108.46	108.46
Total	**-**	**6,691.81**	**6,691.81**
Financial liabilities:			
Trade payables	-	9,436.28	9,436.28
Borrowings	-	928.74	928.74
Forward contracts	30.02	-	30.02
Other financial liabilities	-	1.56	1.56
Total	**30.02**	**10,366.58**	**10,396.60**

39.3. The carrying value of financial instruments by categories as of April 01, 2015 is as follows:

(Rs. in Million)

	Measured at fair value through P&L	Measured at amortised cost	Carrying value
Financial assets:			
Cash and cash equivalents	-	130.83	130.83
Other bank balances	-	1.86	1.86
Trade receivables	-	1,847.79	1,847.79
Loans	-	18.53	18.53
Forward contracts	0.16	-	0.16
Other financial assets	-	17.74	17.74
Total	**0.16**	**2,016.75**	**2,016.91**
Financial liabilities:			
Trade payables	-	2,580.74	2,580.74
Borrowings	-	740.89	740.89
Other financial liabilities	-	2.65	2.65
Total	**-**	**3,324.28**	**3,324.28**

* The carrying value of above financial assets and financial liabilities approximates its fair value.

39.4. Fair Value hierarchy:

Ind AS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Ind AS are described below:

Level 1 — inputs are based upon quoted prices (unadjusted) in active markets for identical assets or liabilities which are accessible as of the measurement date.

Level 2 — inputs are based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and model derived valuations for the asset or liability that are derived principally from or corroborated by market data for which the primary inputs are observable, including forward interest rates, yield curves, credit risk and exchange rates.

Level 3 — inputs for the valuations are unobservable and are based on management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques such as option pricing models and discounted cash flow models.

The following table summarizes the financial assets and financial liabilities measured at fair value on a recurring basis:

	Fair value hierarchy		
	Level 1	**Level 2**	**Level 3**
At March 31, 2017			
Financial assets	-	-	-
Financial liabilities	-	24.37	-
At March 31, 2016			
Financial assets	-	-	-
Financial liabilities	-	30.02	-
At April 01, 2015			
Financial assets	-	0.16	-
Financial liabilities	-	-	-

The fair value of the Group's financial assets and financial liabilities approximates carrying amount because of the short-term nature of these instruments.

The Group classifies forward contracts in Level 2 as quoted prices can be corroborated based on observable market transactions of spot currency rate, forward currency prices.

40. Financial instruments

40.1. Capital management

The objective of the Group's capital management structure is to ensure that there remains sufficient liquidity within the Group to carry out business. The Group monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of March 31, 2017, March 31, 2016 and April 01, 2015 is as follows:

Rs. in Million

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt	3,990.91	928.74	740.89
Cash & cash balances	107.30	119.00	132.69
Net debt	**3,883.61**	**809.74**	**608.20**
Total equity	**11.40**	**473.92**	**470.91**
Gearing ratio (%)	34067%	171%	129%

Refer note 3.1 for going concern

40.2. Financial risk management framework

In its ordinary operations, the Group's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Group has a risk management policy which covers the foreign exchanges risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The following is the summary of the main risks:

40.2.1. Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract,leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by Group's established policy, procedures and control relating to customer credit risk management.

Financial assets that potentially exposed the Group to credit risk are listed below: Rs. in Million

	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Loan	24.63	19.97	18.53
Trade receivables	4,749.84	6,444.38	1,847.79
Other financial assets	116.04	108.46	17.90
Total	**4,890.51**	**6,572.81**	**1,884.22**

* Includes secured trade receivables amounting Rs. 3,363.54 Million as at March 31, 2017 (March 31, 2016-Rs. 4,466.85 Million) (April 1, 2015-Rs. 1,307.58 Million). Refer Note 12.

40.2.2. Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities as at:

(Rs. In Million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Less than 1 year	1-5 years	Less than 1 year	1-5 years	Less than 1 year	1-5 years
Financial Liabilities						
Trade payables	5,343.57	-	9,436.28	-	2,580.74	-
Borrowings	3,990.91	-	928.74	-	740.89	-
Other financial liabilities	9.79	-	1.56	-	2.65	-
Forward contracts	24.37	-	30.02	-	-	-
Total	**9,368.64**	**-**	**10,396.60**	**-**	**3,324.28**	**-**

40.2.3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk) will affect the Group's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

40.2.3.1. Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group's exposure to currency risk relates primarily to the Group's operating activities and borrowings when transactions are denominated in a different currency from the Group's functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(Amount in Million)

Particulars	Currency	March 31, 2017	March 31, 2016	April 01, 2015
Trade receivables	USD	0.03	0.04	0.95
Trade payables	USD	17.41	27.36	14.1
	EUR	0.35	0.12	-
	SGD	0.02	-	-
	AUD	-	0.36	0.07
Borrowings	USD	1.01	5.61	-

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

(Amount in Million)

Particulars	Currency	March 31, 2017	March 31, 2016	April 01, 2015
Trade receivables	USD	0.03	0.04	0.95
Trade payables*	USD	6.44	7.44	6.89
	EUR	0.12	0.02	-
	SGD	0.02	-	-
	AUD	-	-	0.07

* Trade Payable of USD 4 Million (March 31, 2016- USD 5.04 Million, April 01, 2015- USD 4.21 Million) are not hedged through derivative contracts as exhange risk is beared by customer on such balances.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and AUD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives.

(Rs. in Million)

Particulars	Currency	Change in rate	Effect on profit before tax
For the year ended March 31, 2017	USD	+5%	(7.75)
	USD	-5%	7.75
	EUR	+5%	(0.79)
	EUR	-5%	0.79
For the year ended March 31, 2016	USD	+5%	(7.98)
	USD	-5%	7.98
	EUR	+5%	(0.08)
	EUR	-5%	0.08
	AUD	+5%	0.36
	AUD	-5%	(0.36)

*Derivative financial instruments**

The Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instrument are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

The following table gives details in respect of outstanding forward contracts:

(Rs. in Million)

Currency to Buy	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Notional Coverage (INR)	Outstanding Amount (Foreign Currency)	MTM (INR)	Notional Coverage (INR)	Outstanding Amount (Foreign Currency)	MTM (INR)	Notional Coverage (INR)	Outstanding Amount (Foreign Currency)	MTM (INR)
USD	805.66	11.98	(24.34)	1,736.21	25.52	(30.80)	455.14	7.21	0.16
AUD	-	-	-	25.52	0.50	0.78	-	-	-
EUR	7.77	0.11	(0.03)	7.30	0.10	(0.01)	-	-	-
	813.43	**12.09**	**(24.37)**	**1,769.03**	**26.12**	**(30.03)**	**455.14**	**7.21**	**0.16**

*The outstanding forward contracts are having maturity profile of less than six months.

40.2.3.2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group's borrowings are primarily short-term, which do not expose it to significant interest rate risk.

41. First time adoption of Ind AS

As stated in Note 2, the financial statements for the year ended March 31, 2017 is the first financial statements prepared in accordance with Ind AS.

The adoption is carried out in accordance with Ind AS 101 using April 01, 2015 as the transition date. The transition is carried out from Indian GAAP, which is considered as the previous GAAP. All applicable Ind AS have been applied consistently and retrospectively, wherever, required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous GAAP as of the transition date are recognized directly in other equity (Retained Earnings) at the date of transition to Ind AS.

This note explains the principal adjustments made by the Group in restating its previous GAAP financial statements, including the Balance Sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

41.1. Optional exemptions and certain exceptions availed on first time adoption of Ind-AS 101

Ind AS 101 allows first-time adopters certain exemptions under Ind AS. The Group has applied the following exemptions:

(a) Property, plant and equipment

The Group has elected to measure all of its property, plant and equipment at fair value as on date of transition to Ind AS and used that fair value as the deemed cost of property, plant and equipment as at the date of transition.

(b) Intangible assets

The Group has elected to continue with the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used it as its deemed cost as at the date of transition.

41.2. Estimates

The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

41.3. Effect of Ind AS adoption on the Balance sheet as at March 31, 2016 and April 01, 2015:-

(Rs. in Million)

Particulars	Notes	As at March 31, 2016			As at April 01, 2015		
		Regrouped IGAAP Figures	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Regrouped IGAAP Figures	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
ASSETS							
Non-current assets							
(a) Property, plant and equipment	(a)	73.38	76.47	149.85	86.47	81.41	167.88
(b) Capital work-in-progress		0.72	-	0.72	2.63	-	2.63
(c) Intangible assets		7.17	-	7.17	6.61	-	6.61
(d) Financial assets							
(i) Loans	(b)	25.35	(5.38)	19.97	25.74	(7.21)	18.53
(ii) Other financial assets		4.05	-	4.05	9.24	-	9.24

Particulars	Notes	As at March 31, 2016			As at April 01, 2015		
		Regrouped IGAAP Figures	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Regrouped IGAAP Figures	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
(e) Deferred tax assets (net)	(a), (h) & (j)	128.25	(6.59)	121.66	79.08	(8.25)	70.83
(f) Non-current tax assets (net)		158.56	-	158.56	59.02	-	59.02
(g) Other non-current assets	(b) & (h)	49.78	(13.16)	36.62	25.24	(11.19)	14.05
Total non-current assets		**447.26**	**51.34**	**498.60**	**294.03**	**54.76**	**348.79**
Current assets							
(a) Inventories		3,541.32	-	3,541.32	1,533.86	-	1,533.86
(b) Financial assets							
(i) Trade receivables	(i)	6,444.38	-	6,444.38	1,847.79	-	1,847.79
(ii) Cash and cash equivalents		116.98	-	116.98	130.83	-	130.83
(iii) Other bank balances		2.02	-	2.02	1.86	-	1.86
(iv) Other financial assets	(e)	104.41	-	104.41	9.44	(0.78)	8.66
(c) Current tax assets (net)		-	-	-	9.12	-	9.12
(d) Other current assets	(b)	493.72	1.70	495.42	82.16	1.70	83.86
Total current assets		**10,702.83**	**1.70**	**10,704.53**	**3,615.06**	**0.92**	**3,615.98**
TOTAL ASSETS		**11,150.09**	**53.04**	**11,203.13**	**3,909.09**	**55.68**	**3,964.77**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		50.92	-	50.92	50.92	-	50.92
(b) Other equity	(l)	360.05	62.95	423.00	351.53	68.46	419.99
Total equity		**410.97**	**62.95**	**473.92**	**402.45**	**68.46**	**470.91**
Liabilities							
Non-current liabilities							
(a) Provisions		25.20	-	25.20	22.78	-	22.78
(b) Other non current liabilities	(c)	7.63	(7.63)	-	11.16	(11.16)	-
Total non-current liabilities		**32.83**	**(7.63)**	**25.20**	**33.94**	**(11.16)**	**22.78**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings		928.74	-	928.74	740.89	-	740.89
(ii) Trade payables		9,436.28	-	9,436.28	2,580.74	-	2,580.74
(iii) Other financial liabilities	(e)	29.04	2.54	31.58	2.65	-	2.65
(b) Provisions		83.98	-	83.98	85.88	-	85.88
(c) Other current liabilities	(c)	228.25	(4.82)	223.43	62.54	(1.62)	60.92
Total current liabilities		**10,706.29**	**(2.28)**	**10,704.01**	**3,472.70**	**(1.62)**	**3,471.08**
Total liabilities		**10,739.12**	**(9.91)**	**10,729.21**	**3,506.64**	**(12.78)**	**3,493.86**
TOTAL EQUITY AND LIABILITIES		**11,150.09**	**53.04**	**11,203.13**	**3,909.09**	**55.68**	**3,964.77**

41.4. Reconciliation of other equity as at March 31, 2016 and April 01, 2015: (Rs. in Million)

Particulars	Notes	As at March 31, 2016	As at April 01, 2015
As reported under Previous GAAP		**360.05**	**351.53**
Recognition of finance income under Ind AS on security deposits given and amortisation of prepaid asset	(b)	(1.24)	(1.36)
Reversal of lease equalisation reserve	(c)	12.45	12.78
Reversal of amortisation of deferred premium on forward contracts and recognisation of forward contracts at fair value	(e)	(2.54)	(0.78)
Recognisation of property, plant and equipment at fair value (net of deferred tax liability)	(a)	57.28	61.27
Deferred tax impact on Ind AS entries other than property, plant and equipment adjusted through Statement of Profit and Loss	(j)	(3.59)	(3.45)
Deferred tax impact on Ind AS entries adjusted through other comprehensive income	(d)	0.59	-
Total adjustments to equity		**62.95**	**68.46**
Equity under Ind AS		**423.00**	**419.99**

41.5. Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31, 2016:

(Rs. in Million)

Particulars	Notes	Year ended March 31, 2016		
		Regrouped IGAAP Figures	**Effect of Transition to Ind AS**	**As per Statement of Profit and Loss**
I. Revenue from operations	(f) & (g)	40,026.65	51.53	40,078.18
II. Other income	(b)	17.10	1.83	18.93
III. Total income (I+II)		**40,043.75**	**53.36**	**40,097.11**
Expenses				
(a) Cost of material consumed		527.54	-	527.54
(b) Purchases of inventories		40,320.76	-	40,320.76
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(2,019.45)	-	(2,019.45)
(d) Excise duty on sale of goods	(f)	-	103.66	103.66
(e) Employee benefit expense	(d)	451.74	(1.71)	450.03
(f) Finance costs		190.58	-	190.58
(g) Depreciation and amortisation expense	(a)	26.30	4.94	31.24
(h) Other expenses	(b), (c), (e) & (g)	589.57	(48.33)	541.24
IV. Total expenses		**40,087.04**	**58.56**	**40,145.60**
V. Loss before tax (III-IV)		**(43.29)**	**(5.20)**	**(48.49)**
VI. Tax expense/(credit)				
(a) Current tax		2.61	-	2.61
(b) Deferred tax		(49.17)	(0.81)	(49.98)
		(46.56)	**(0.81)**	**(47.37)**

Particulars	Notes	Year ended March 31, 2016		
		Regrouped IGAAP Figures	Effect of Transition to Ind AS	As per Statement of Profit and Loss
VII Profit/ (loss) for the year (V-VI)		**3.27**	**(4.39)**	**(1.12)**
VIII. Other comprehensive income				
Items that will not be reclassified to profit or loss				
(i) Remeasurements of the defined benefit plans	(d)	-	(1.71)	(1.71)
Income tax effect		-	0.59	0.59
Net effect		-	(1.12)	(1.12)
(ii) Exchange difference on translation		-	5.25	5.25
Net other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods		**-**	**4.13**	**4.13**
IX. Total comprehensive income/ (loss) for the year(VII+VIII)		**3.27**	**(0.26)**	**3.01**

41.6. Effect of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2016:

(Rs. in Million)

Particulars	Year ended March 31, 2016		
	Regrouped IGAAP Figures	Effect of Transition to Ind AS	AS PER IND AS BALANCE SHEET
Net cash flows used in operating activities	(13.07)	-	(13.07)
Net cash flows used in investing activities	(1.78)	-	(1.78)
Net cash flows from financing activities	(4.25)	-	(4.25)
Net (decrease)/increase in cash and cash equivalents	**(19.10)**	**-**	**(19.10)**
Impact of foreign currency transalation	5.25		5.25
Cash and cash equivalents at the beginning of the year	130.83	-	130.83
Cash and cash equivalents at the end of the year	**116.98**	**-**	**116.98**

41.7. Notes to reconciliations between Previous GAAP and Ind AS

(a) Property, Plant and Equipment

Under previous GAAP, property, plant and equipment (PPE) are recorded at cost less accumulated depreciation. As per Ind AS 101 - First time adoption of Indian Accounting Standards, Group has opted for fair valuation of all of its property, plant & equipment (PPE) as deemed cost on the date of transition. The effect of this change results in increase in PPE by Rs. 76.47 Million as at March 31, 2016 (April 1, 2015- Rs. 81.41 Million) with a corresponding increase in other equity by Rs. 57.28 Million, net of deferred tax liability of Rs. 19.19 Million as at March 31, 2016 (April 1, 2015- Rs. 61.27 Million, net of deferred tax liability of Rs. 20.14 Million). There has been increase in depreciation expense by Rs. 4.94 Million and decrease in deferred tax expense by Rs. 0.95 Million for the year ended March 31, 2016.

(b) Security Deposits

Under previous GAAP, interest free security deposits are carried at transaction value. Under Ind AS, these are carried at amortised cost. The effect of this change is decrease in loans by Rs. 5.38 Million as at March

31, 2016 (April 1, 2015- Rs. 7.21 Million) and increase in other non current assets by Rs. 2.44 Million as at March 31, 2016 (April 1, 2015- Rs. 4.15 Million) and increase in other current assets by Rs. 1.70 Million as at March 31, 2016 (April 1, 2015- Rs. 1.70 Million) and decrease in other equity by Rs 1.24 Million as at March 31, 2016 (April 1, 2015- Rs. 1.36 Million). There has been increase in other income by Rs. 1.83 Million and rent expenses by Rs. 1.71 Million for the year ended March 31, 2016. Further, there is an increase in deferred tax asset by Rs. 0.43 Million as at March 31, 2016 (April 1, 2015- Rs. 0.44 Million) with corresponding increase in deferred tax expense by Rs. 0.01 Million for the year ended March 31, 2016.

(c) Lease Equalization Reserve

Under previous GAAP, operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the lease term. Lease equalisation reserve ('LER') is to be amortised over the period of lease. Under Ind AS, the Group has reversed the LER to the extent the Group ascertained that the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. This results in decrease in other non current liabilities by Rs. 7.63 Million as on March 31, 2016 (April 1, 2015- Rs. 11.16 Million) and decrease in other current liabilities by Rs. 4.82 Million as on March 31, 2016 (April 1, 2015- Rs. 1.62 Million) with corresponding increase in other equity by Rs. 12.45 Million as on March 31, 2016 (April 1, 2015- Rs. 12.78 Million). There has been increase in rent expenses by Rs. 0.33 Million for the year ended March 31, 2016. Further, there is a decrease in deferred tax asset by Rs. 4.31 Million as at March 31, 2016 (April 1, 2015- Rs. 4.15 Million) with corresponding increase in deferred tax expense by Rs. 0.16 Million for the year ended March 31, 2016.

(d) Defined Benefit Obligation

Under previous GAAP, actuarial gains and losses were recognised in Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income. This results in decrease in gratuity expenses by Rs. 1.71 Million for the year ended March 31, 2016 and decrease in other comprehensive income by Rs. 1.12 Million (net of deferred tax of Rs. 0.59 Million) for the year ended March 31, 2016. There is no impact on deferred tax asset as at March 31, 2016.

(e) Forward Contracts

Under previous GAAP, the premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year. As per the ICAI Announcement, accounting for derivative contracts, other than those covered under Accounting Standard 11 are marked to market, and the net loss is charged to Statement of Profit and Loss. Net gains are ignored. Under Ind AS, entire mark to market gain/loss on fair valuation of derivative instrument is recognised in Statement of Profit and Loss. The effect of change is increase in other financial liabilities by Rs. 2.54 Million as at March 31, 2016 (April 1, 2015- decrease in other current financial assets by Rs. 0.78 Million) with corresponding decrease in other equity by Rs. 2.54 Million (April 1, 2015- Rs. 0.78 Million). There is an increase in exchange losses by 1.76 Million for the year ended March 31, 2016. There is an increase in deferred tax asset by Rs. 0.88 Million as at March 31, 2016 (April 1, 2015- Rs. 0.26 Million) with corresponding decrease in deferred tax expense by Rs. 0.62 Million for the year ended March 31, 2016.

(f) Excise Duty

Under previous GAAP, revenue from sale of products is presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the Consolidated Statement of Profit and Loss.

The effect of this is increase in revenue from operations by Rs. 103.66 Million for the year ended March 31, 2016 but there is no impact on profit or loss for the year ended March 31, 2016.

(g) Revenue

Under previous GAAP, rebates and discounts on sale of goods are disclosed as other expenses. Under Ind AS, rebates and discounts are reduced from revenue from operations. The net effect of this is decrease in revenue from operations by Rs. 52.13 Million and decrease in other expenses by Rs. 52.13 Million for the year ended March 31, 2016. This change does not effect the net profit for the year ended March 31, 2016.

(h) Minimum Alternative Tax

Under previous GAAP, MAT credit entitlement is shown as long term loans and advances. Under Ind AS, MAT credit entitlement is recorded and classified as deferred tax assets. The effect of this change is increase in deferred tax asset by Rs. 15.60 Million (April 1, 2015- Rs. 15.34 Million) and decrease in other non current assets by Rs. 15.60 Million (April 1, 2015- Rs. 15.34 Million).

(i) Trade Receivables

Under previous GAAP, the provision for doubtful trade receivables is made as per the policy of the Group which is based on incurred loss model whereas under Ind AS, impairment allowance has been determined based on expected credit loss model (ECL). The Group has done analysis of provision for doubtful debts as per ECL model and evaluated that there is no significant impact and hence taken no adjustment.

(j) Deferred Tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the salance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings or as a separate component in equity. As a result, deferred tax asset is reduced by Rs. 3.59 Million as on March 31, 2016 (April 1, 2015- Rs. 3.45 Million) on account of adjustments other than fair valuation. Further there is a total decrease in deferred tax expense by Rs. 1.40 Million for the year ended March 31, 2016 out of which Rs. 0.81 Million is recognized in statement of Profit and Loss and Rs. 0.59 Million is recognised in other comprehensive income.

(k) Other Comprehensive Income

Under previous GAAP, there is no concept of other comprehensive income. Under Ind AS, specified items of income, expenses, gains or losses are required to be presented in other comprehensive income.

(l) Retained Earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to above Ind AS transition adjustments.

42. SEGMENT INFORMATION

42.1. Segment Accounting Policies:

a. Product from which reportable segment derive their revenues.

Based on the nature and class of product and services, their customers and assessment of differential risks and returns and financial reporting results reviewed by chief operating decision maker, the Group has identified the following business segments which comprised:

Mobile distribution: Distribution of smart phones & accessories IT products: Distribution of landline phones, modems, storage devices, information technology peripherals, network equipment, board room solutions, DTH devices, display devices, voice and data products.

b. Geographical segments

In terms of geographical segment, the Group's sales outside India are not material.

c. Segment accounting policies

Segment accounting policies: In addition to the significant accounting policies applicable to the business segment as set out in note 1,the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of cash, debtors, inventories and Property, Plant and Equipment including capital work in progress, net of allowances and provisions, which are reported as direct offset in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

ii Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii Segment results :

Segment results represents the profit before tax earned by each segment without allocation of unallocable central administration costs, other income as well as finance costs. Operating profit amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

42.2. For the year ended March 31, 2017

(Rs. in Million)

Reportable Segments	IT Products	Mobile Distribution	Unallocated	Total
Revenue				
External sales	12,412.48	25,788.98	-	38,201.46
Other income	-	-	10.41	10.41
Total revenue	**12,412.48**	**25,788.98**	**10.41**	**38,211.87**
Result				
Profit/(loss) before interest and tax	365.43	(600.24)	4.64	(230.17)
Interest expense	-	-	238.54	238.54
Profit/(loss) before tax	**365.43**	**(600.24)**	**(233.90)**	**(468.71)**
Tax expense	9.11	-	(25.60)	(16.49)
Profit/(loss) after tax	**356.32**	**(600.24)**	**(208.30)**	**(452.22)**
Other information				
Segment assets	2,485.54	6,498.12	749.94	**9,733.59**
Segment liabilites	2,022.66	3,689.47	4,010.06	**9,722.19**
Capital expenditure	0.07	-	7.81	**7.88**
Depreciation and amortisation	16.28	-	12.94	**29.22**
Other non-cash expenditure	3.04	63.07	-	**66.11**

42.3. For the year ended March 31, 2016

(Rs. in Million)

Reportable Segments	IT Products	Mobile Distribution	Unallocated	Total
Revenue				
External sales	12,150.68	27,927.50	-	40,078.18
Other income	6.18	2.92	9.83	18.93
Total revenue	**12,156.86**	**27,930.42**	**9.83**	**40,097.11**
Result				
Profit/(loss) before interest and tax	410.32	(264.01)	(4.22)	142.09
Interest expense	-	-	190.58	190.58
Profit/(loss) before tax	**410.32**	**(264.01)**	**(194.80)**	**(48.49)**
Tax expense	9.92	-	(57.29)	(47.37)
Profit/(loss) after tax	**400.40**	**(264.01)**	**(137.51)**	**(1.12)**
Other information				
Segment assets	3,183.89	7,702.27	316.97	**11,203.13**
Segment liabilites	2,374.45	7,366.80	987.96	**10,729.21**
Capital expenditure	-	-	14.00	**14.00**
Depreciation and amortisation	17.20	-	14.04	**31.24**
Other non-cash expenditure	(9.98)	34.09	-	**24.11**

43. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

(Rs. in Million)

Particulars	March 31, 2017	March 31, 2016
(i) Principal amount remaining unpaid to MSME suppliers as on	9.07	3.41
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the Auditors.

44. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

45. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

46. Disclosure in terms of G.S.R. 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs, Government of India

The Group did not have any transaction in form of Specified Bank notes (SBN) during the period from November 08, 2016 to December 30, 2016 pursuant to the requirements of notification G.S.R. 308 dated March 30, 2017.

(Amount in Absolute Figures)

	SBNs	Other denomination notes	Total
	Rs.	**Rs.**	**Rs.**
Closing cash in hand as on November 08, 2016	80,000	2,585	82,585
(+) Permitted receipts	-	102,327	102,327
(-) Permitted payments	-	(70,305)	(70,305)
(-) Amount deposited in Banks	(80,000)	-	(80,000)
Closing cash in hand as on December 30, 2016	**-**	**34,607**	**34,607**

47. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on August 24, 2017.

For and on behalf of Board of Directors of
Brightstar Telecommunications India Limited

Sd/-
Deval Parikh
CEO and Director
(DIN: 03352255)

Sd/-
Dharshan Nanayakkara
Director
(DIN: 06930415)

Sd/-
Neeru Bhalla
Company Secretary

Sd/-
Rohit Gupta
Chief Financial Officer

BRIGHTSTAR TELECOMMUNICATIONS INDIA LIMITED

(Erstwhile Beetel Teletech Limited)
CIN : U32204HR1999PLC042204
First Floor, Plot No. 16, Udyog Vihar, Phase IV, Gurgaon, Haryana-122015
T: +91-124-4823500, F:+91-124-4146130
www.brightstarcorp.in

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :
Registered Address :

E.mail ID :
Folio No./DP ID/Client ID :
E-mail ID :

I/We, being the member(s) holding .... shares in the above named Company, hereby appoint

1. Name:...Address:..

   E.mail ID:..Signature:...or failing him

2. Name:...Address:..

   E.mail ID:..Signature:.....................................or failing him

3. Name:...Address:..

   E.mail ID...Signature:..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighteen **(18th) Annual General Meeting** of Shareholders of Brightstar Telecommunications India Limited (the Company) will be held on Wednesday, the 27th September, 2017 at 10.00 A.M. at K-3, DLF Phase-II, Community Centre, Gurgaon - 122002 and at any adjournment thereof in respect of such resolutions as indicated below:

Sl. No.	Particulars	Optional	
	Ordinary Business	**For**	**Against**
1.	Adoption of Annual Accounts (Standalone and Consolidated) along with Board's Report and Auditors Report		
2.	Appointment of a Director in place of a Director retiring by rotation		
3.	Ratification of appointment of Statutory Auditors		
	Special Business		
4.	Approval of remuneration of Whole Time Director		
5	Ratification of remuneration payable to the Cost auditor		

Signed this .... day of 2017

Signature of shareholder ....

Signature of proxy holder(s) ....

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

BRIGHTSTAR TELECOMMUNICATIONS INDIA LIMITED

(Erstwhile Beetel Teletech Limited)
CIN : U32204HR1999PLC042204
First Floor, Plot No. 16, Udyog Vihar, Phase IV, Gurgaon, Haryana-122015
T: +91-124-4823500, F:+91-124-4146130
www.brightstarcorp.in

ATTENDANCE SLIP

18th Annual General Meeting

S.No. :

Name:
Address:
DP ID*

Client ID*
Folio No.
No. of Shares held

*Applicable for investors holding shares in Electronic form.

.... Member's Folio / DP iD-Client iD no.

.... Member's / Proxy's name in Block letters

.... Member's/Proxy's signature

Proxy's name : ....

Note : 1. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.

2. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Notice for reference at the meeting.

E-VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	User ID (16 digits demat Account/ Folio No.)	Password / PIN

Note : Please read instructions given under Note to the Notice of 18th Annual General Meeting carefully before voting electronically.

Brightstar™

Registered & Corporate Office

Brightstar Telecommunications India Limited
(Erstwhile Beetel Teletech Limited)

CIN: U32204HR1999PLC042204

First Floor, B Wing,
Plot No.16,Udyog Vihar Phase IV ,
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